



PROCEEDINGS

**60th ANNUAL
CONVENTION AND
TRADE SHOW**



Atlanta, Georgia
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INTERNATIONAL ASSOCIATION OF AMUSEMENT PARKS

AND ATTRACTIONS

60th ANNUAL CONVENTION

PERSONNEL WORKSHOP

TUESDAY, NOVEMBER 14, 1978

GWINNETT, DEKALB, PAULDING & DOUGLAS ROOMS

The Personnel Workshop convened at 3 p.m., Mr. Edward Hutton, Frontier Village Amusement Park, San Jose, CA, presiding.

CHAIRMAN EDWARD HUTTON: My name is Ed Hutton. I'm with Frontier Village Amusement Park in San Jose. We have three speakers plus a general discussion today on employee activities, special extra-curricular activities during the summer. I want to remind you that there will be cassette recordings of this.

I'd like to introduce the three gentlemen who are going to speak to you today. You're going to hear from Mr. Warren Weitzel, who's assistant general manager and director of operations at Frontier Village in San Jose, and he's going to be speaking to you on orientation of employees. And next we're going to have Bob Minick, who is vice president and general manager of Magic Springs in Hot Springs, Arkansas. And then we have Ray Koons, director of personnel, and he's been at Elitch Gardens for eleven years, and he'll be basically talking to you about scheduling employees with reference to double shifts and using them effectively. Mr. Weitzel please.

MR. WEITZEL: Thank you, Ed. This afternoon I'll be speaking on the important area of employee interviewing and orientation.

The raising of the minimum wage by Uncle Sam is actually doing us a favor by making us look harder at the bottom line. The government has forced us to make our operations more efficient, and the way to efficiency is through training. All of us want to hire the very best people we can, but in order to hire the very best, we must attract the very best. Having a good selection of applicants to choose from is very important. There are several ways to attract these good people.

Number one, the use of want ads in local and school papers is the most obvious and far-reaching approach. It is important when placing a want ad to get in the top of the listings. We in the amusement park industry are very fortunate because we can get in the top heading under A's under the listing of amusement park help. The use of local radio stations can also be a big help if you let them know that you are accepting applications. They're always looking for fillers for their community bulletin board spots. However, it's very important when contacting a radio station that you have a well-written and prepared fact sheet outlining the jobs available, rates of pay, types of jobs and how their listeners can go about getting an application and an interview.

There's also another great place to recruit people, and that's right underneath our noses--our own employees and our own guests. By putting announcements on your employee bulletin board, you no-

tify your people that you are accepting applications. You can also urge them to tell their friends about it. At Frontier Village, we also do recruiting by putting a small show card type sign on a small tripod next to our cash registers, telling our guests that we are accepting applications.

Here are several important points when placing an ad, and you can ask yourself how do you respond to these points. Do you run help wanted ads that are hastily put together and do not properly describe the position and advantages that you offer? Do you greet all prospective applicants with a curt shrug of the shoulders, here's an application, fill it out? Do you have a fact sheet available for your applicants to read over, describing the type of work that you offer? And do you have a comfortable place for your applicants to fill out the application? And most important, do you have a pre-interviewing rating system? Do you rate the person who's applying 1, 2, 3, or 4, with number 1 naturally being the best? We'll talk more about this rating system a little bit later on in my presentation.

So in review, in accepting applications, or recruiting people, I should say, there are four points to remember. You must attract good applicants to have good employees. You have to get the word out that you are accepting applications. You have to give the applicants information about the job, its requirements--use a fact sheet. And fourth, show the applicant that you are interested in him or her.

Okay. Let's jump into the next important area, interviewing. An interview is an exchange of facts and feelings with a definite purpose in my mind. An interview provides an opportunity to observe the applicant's appearance, poise, mannerisms, responsiveness and ability to communicate effectively. For the applicant, it is an opportunity to obtain detailed information concerning specific duties, responsibilities, work conditions, benefits, compensation and the possibility for advancement and personal development. Interviewing is an art, and it must be learned. You can't learn interviewing from a book. You have to talk to the applicant, explore their true desire to work for you and to do a good job. To do it well, you must come up with a set of questions and answers you expect from those questions. You must make a meaningful probe for those answers, and then shut up and listen. Every park manager, supervisor, line lead should interview his people, even if you are not involved in the initial job interview. These people are your park. They represent you. They are your most important asset.

Here are some very basic steps to make your interviews go smoothly. Number one, know how many vacancies you have to fill and hire for that number. Know how long it's going to take to get your employees recruited, interviewed, hired and trained. At Frontier Village, it takes us approximately seventeen days for this process. Pre-interview the applicant by studying his application before calling him to set up an interview. This can save you a lot of wasted time. A completed application provides a great deal of information about the applicant. Someone who's living 75 miles away won't stay long if he's recruited for \$2.65 an hour. When phoning for interviews, set up the ones and twos first. These are the highest rated people. This will cut down on your number of no-shows. We rate applicants on a first impression basis, based on their appearance and their poise. One is the highest, two is average, three is an undesirable and four we don't even consider. When

setting up interviews, don't leave messages. You know how messages can get lost. Talk directly to the applicant, and this will cut down on the number of no-shows.

It's a good idea to have interviews set up at a time that is convenient for the applicant. A 6:30 a.m. interview is probably going to produce a lot of no-shows. Set up interviews that are close together so that you are not waiting for the applicant to arrive. Interview in private and avoid distractions and phone calls and employee interruptions. Make sure that your surroundings are comfortable. If the location is too warm or too cold, it will cause distraction. Be friendly and be cordial. Introduce yourself. Review the application to make sure the information is correct and current.

If you're a good listener, you've stayed with me this far. If you don't learn anything else from my speech, please catch this. Size up the applicant during the first 30 to 90 seconds of the interview. That's probably all the time that your guests will have a chance to see your employees. Don't worry about the applicant's nervousness, but look for the underlying attitude and feeling that he conveys. Is it one of friendliness, courtesy? Does he have a wholesome, neat appearance? Explain to the applicant that you're going to ask him a few questions and find out a little bit about him. As an interviewer, you should have a clear and specific objective that you are trying to accomplish during the interview; namely, whether or not you wish to hire the applicant. You should create an atmosphere of trust and openness with the applicant.

There are two ways of conducting an interview, direct and indirect. Whereas direct interviews encourage responses to some specific questions, the indirect interview puts the applicant more at ease, permits him to talk about things that might interest him and reveals his true emotional background. This information tends to be more reliable and reflects the true identity of the applicant. Start with some relaxing type questions that don't require a great deal of concentration. After you and the applicant feel comfortable, proceed with the probing part of your interview. The mistake that many interviewers make is that they do most of the talking. The real objective should be to draw out the information from the applicant. Effective questioning and listening are the keys to a good interview. A listening response can be a great help in an interview. It is a brief comment or action made that conveys the idea that you're interested, attentive and wish the applicant to continue. It is made quietly and briefly so as not to interfere with the applicant's train of thought. It is generally used when the applicant pauses. Such a response might be a nod, a smile, an echo or a repeating back of what the applicant has just said. This simple process of paying close attention to what the applicant has said makes him feel impelled to open up and keep talking.

Ask questions that require more than a simple yes or no type answer, and these are two types of questions, opened and closed. Open questions usually start with what, where, when, who and why and a closed question will start with is, do, has, can, will or shall. As a good listener, determine if the response to the questions meet your specific needs or requirements. Guard against falling for the planned answers. Sure, you hope the applicant is going to be open and honest with you, but more likely than not he is going to give you an answer that he thinks you want to hear.

Be honest with them. Tell them that you are looking for honest answers. Would you mind cutting your hair to a close hair style? Show them a picture of your grooming standards. Ask them how their family and friends are going to react to their new look.

Female applicants are more difficult to interview than men. Women have a natural built-in ability to charm.

(Laughter.)

MR. WEITZEL: Okay. Somebody's been through that before. Take a chance on a few questionable applicants. With a little guidance and sincere interest, these people might develop into a good employee. Interviewing is a sixth sense. You can develop this about people. Ask yourself, "Can this applicant be a credit to my organization and to my goals."

Your next step is going to be very, very easy, but it's also very important. You're going to find out why you should not hire this person. You're going to look for reasons. Does the person need a lot of time off for vacation? Does he or she have dependable transportation? Does the applicant have too many outside activities that might conflict with work, such as school, social obligations or sports? Is the person looking for more money than you can afford to pay? Does the applicant lack self-discipline? Don't lower your standards to fit the applicant. Make sure that you keep the interview rolling. Don't let it get sidetracked. Don't make the mistake of assuming that the applicant understands your particular needs. Be specific. Tell the applicants about your pay rates, deductions, uniform requirements, hours of work, days off, sales, et cetera.

Here's something that's very important. Be sure that you hire for the specific job. Don't hire a quiet, shy girl to work your top grossing games operation. Be sure to explain some of the good points as well as some of the bad points about each particular job. In the end, you must be able to evaluate the results of the interview objectively in terms of your park's objectives and interpret those results in terms of the applicant's fitness for the job.

Last but not least, do you excite your future employee with an enthusiastic welcome aboard type greeting. This is very important. You can be a great interviewer and employer only if you take the time and the effort and the common sense to develop your own hiring technique.

Okay. Let's review a few of the important interviewing techniques. Number one, rely on your first impression. It's very, very important. Don't ask simple yes or no type questions. Look for reasons not to hire. Hire for the specific job; it makes your job as an interviewer a lot easier. You should control the interview. Be pleasant, and don't be soft-hearted.

We've not built up to the crucial area of orientation and training. This is where it's really going to count. The work doesn't end with the selection and hiring of a new employee. The introduction of a new employee is very important. An orientation session briefs a new employee on the facts and conditions of the new job. This may be accomplished in many different ways. The method is not as important as the components of the orientation. Although the conditions of employment are usually explained in

the employee's handbook, the new employee requires help in adjusting to his new job. Simply telling a new employee the rules and regulations is not enough. He must be told the purpose behind them, how ignoring these rules and regulations would adversely affect him, his co-workers and the company.

Orientation also extends a feeling of welcome and belonging. Failure to make adequate provisions for a good and meaningful orientation wastes all the time, effort and money involved in recruiting, interviewing and hiring an employee. The main point to remember in training amusement park help is the employee is most impressionable during the first twenty-four hours of work. The input that you give during those first twenty-four hours is very important and must be the very best that you and your organization are able to provide. Everyone in the organization--busboys, ride personnel, ground crews, secretaries and managers should receive the same basic initial orientation. Interviewing and orientation are so important in the quality of an employee that only a manager or a supervisor should be involved in dealing with this newly acquired asset. It is very important not to have an old employee train a new employee. It is self-defeating. Your trainee will not realize who is the authority for your rules and regulations. Your training curriculum will have been reduced to whatever the employee wants, not to what you want it to be. Subject matter will become a matter of choice, with emphasis only where the senior employee desires it be placed. There's always a good chance that unauthorized short cuts will be taught. If you must delegate interviewing and training, assign it to someone who will benefit by the experience, preferably another manager or supervisor. Be sure that all training is channeled through one or two people. Then less retraining will be involved if you must change a part of your program.

Be positive during training. Don't paint a picture other than it really is. Be realistic. Outline what you want to teach and follow your outline. It will serve to help eliminate duplication and omissions. Set the proper tone of your park at your orientation. If you require a clean, neat appearance, require that the new employees be clean and neat at the time of orientation. At Frontier Village, we will turn away any employee who is not properly groomed. They are told before orientation what is expected of them and that we demand that they be in the proper attire at time of orientation. It's always better to lose a new employee in the beginning rather than invest a week's time and money in him and have him leave after a week because he doesn't like it.

Do remember that prospective employees are subconsciously testing you and the park to see what are their limits of performance. It's human nature for all of us to take the line of least resistance. Prospective employees are nervous. Make them feel at ease so they want to come back and work. But you must give them a realistic picture of what the job is all about. The phrase tough love is used in raising children and also should apply in dealing with people. Teach them to understand your conditions and requirements, but do it in a tactful way. An open and honest communication between your new employee and the park will get the relationship off to a smooth start.

Have a definite time period for your orientation. The average attention span for persons sitting is twenty minutes. Remember, the orientation is old hat to you, but it is a very new and

real experience to your people. Treat it as such as a teacher, and that really is what you are. You should remember that you can only teach as fast as your slowest learner. The training and orientation should cover just enough information to get the employee through the first day. Train on the information the employee needs to know, not on things he may not need to know for a while or for a long time.

At Frontier Village, we rely quite heavily on employee guides, and we have three basic kinds. We have the general park guide, which covers park rules and regulations and information in general. We have departmental guides, which cover departmental work schedules, departmental uniforms, departmental rules and regulations. And we also have individual station guides, which talk about how to cook a hamburger or how to operate a ferris wheel, et cetera.

Basic training requires a basic commitment to policies, systems and procedures. Therefore, a manual is required. A manual is a study reference, a source of authority and a park's standard operating procedures. Our guides reinforce the visual materials presented in our orientation film. Our guides are checked out on a library type system, taken home and read. A take-home test is also provided to the new employees. We remind the employees that they will not have the guides with them at their station, so they must have the knowledge inside their heads in order to carry out their duties. This has a very profound effect upon them. They must turn in their guides and their tests on the first day of work, before they are trained by their supervisors. Before on-the-job training starts, the employee is given a verbal test by the supervisor to be sure that the employee has a good working knowledge of the material presented. After all, the guides are a foundation from which a supervisor must build. Guides are the foundation of a uniform and a consistent training program. Guides stress the small points that may be missed in verbal training. Guides don't have to be long and elaborate. A simple one or two page ditto form of dos and don'ts will get the ball rolling. We write our guides in the wintertime on rainy days. They really pay off for us next summer.

Questions are bound to come up during the orientation. Don't get bogged down with a lot of questions from the group trying to play stump the panel. Your guides and your orientation should be planned to eliminate any questions that the group may have. Individual questions should be dealt with later on, after the orientation is finished. The same basic procedure that applies in orientation also applies in station training. When training, you should try and talk a person through the procedure. They then feel what it is like to do the job rather than just listening.

As at interviews, ask probing questions of your students. This will reveal whether or not he truly understands what he's been taught. A nod of the head is no guarantee that the employee understands the information. Orientation and training are a manager's answer to easy problems. You must train and retrain your people to make sure they are worthy of every cent they receive. You must cut out the minimum workers before they effect others. Orientation and training are a series of tasks to be taught, and the manager must acknowledge that this is the primary responsibility. The manager is the only one who has the power to turn on his employees to achieve new heights of loyalty, dedication, teamwork, service and quality. Above all else, remember if the student doesn't learn, it's the teacher's fault.

Okay. A quick review of the points that have been presented. Your new employee is most impressionable during the first twenty-four hours of work; make the most of it. Training is extremely important. Don't damage the valuable new asset by letting it fall into the hands of the wrong teacher. Set the proper tone. Bring the employee up to your level. Don't reach down to his. Rely on proven training aids, such as guides and film, and double-check the results of the training to see that the employee knows and does what is expected of him.

At Frontier Village, all four department managers do the interviewing and the orientation and the scheduling. This gives us control over the quality of the personnel, and also gets the new person started on the right foot. Our supervisors review and improve the work schedules each week before they are posted, and they do all the station training of our personnel. Once the schedules are posted, the employees answer directly to their supervisors. Department managers spend their time working directly with the supervisors. The supervisors handle the employees, and the employees handle the guests.

In closing, remember that interviewing and training is the direct communication between two people. Don't be afraid to tell your employees how you think and what you expect of them. Thank you.

CHAIRMAN HUTTON: Thank you, Warren. Just as a matter of format, we're going to have a question and answer period after the other two speakers. I'm also going to ask the other two speakers to quickly identify their parks when they get up here so those in the audience can reference what size park they are, how many employees, what have you. And just to give you an idea regarding Frontier Village, we are open year round, weekends in the winter and, of course, daily in the summer. We have an attendance of about 425,000 a year. That's since Marriott's Great America has opened. And we employ about 400 seasonal or part-time employees. Again, we're not quite as seasonal, because we employ these kids year round, and we have a paid gate of three different plans, so you have this reference. When you speak, if you guys would do the same thing, I think it'd be helpful.

Now, I'd like to introduce Bob Minick from Magic Springs in Hot Springs.

MR. MINICK: Thank you, Ed. My name is Bob Minick. I'm with Magic Springs. It's strange that I was even asked to speak at the personnel workshop. Magic Springs didn't open until July of this year, and in our 64-day operating season this year, we went through three different personnel managers before we finally would up with somebody who could handle the problems. I guess that Ed and everyone wanted somebody to talk on how not to handle a personnel operation. The attendance really surprised me, too. When I was contacted to speak, I was asked to try to think up an exciting title for what I was going to talk about, I suppose to try to hype the first day's meetings. Well, I couldn't think of anything that was very exciting to talk about, and certainly no exciting title to call employee motivation or indoctrinations. And so I sent in some titles that I never heard much back on. I sent them to Bob Blundred. I'm going to ask him why he didn't choose one of them. The titles were "Utilization of County Prisoners as a Host and Hostess Team."

(Laughter.)

MR. MINICK: Another was "Prostitution as a Management Recruiting Tool."

(Laughter.)

MR. MINICK: And I really think my favorite was "Employee Training Through the Use of Drugs."

(Laughter.)

MR. MINICK: However, they never contacted me back on any of those so we wound up just speaking about what our indoctrination program was this year at Magic Springs. Before I try to explain what we do, I better explain to you a little about what Magic Springs is. We're a new park. We opened this summer. And we're a theme park. We're located about a mile and a half outside of downtown Hot Springs. The project was developed by a group of local investors, with LARC, Leisure and Recreation Concepts out of Dallas providing all planning, design and construction management, as well as providing ongoing park management. We have 17 rides, including a log flume and 185-foot skyhook from Six Flags. Our total ride capacity is about 10,000 an hour. We offer 2 major shows, 8 food facilities, 14 arts and crafts shops, 3 gift and souvenir outlets, as well as an arcade, gallery, remotaboats, which is a new type game, and a total skill game operation. Actual construction time on the park was only about six months, with groundbreaking in February and our grand opening on July 22nd. Now, the time frame obviously broke industry records for a park of this scale, and I would not recommend it for any of you out here who might be planning on building a new park. We did not have a management team together until some four or five weeks prior to our opening, and, needless to say, that doesn't leave much time for organization. Everybody's efforts, even in those four weeks, were really directed toward the show, trying to have the park ready for our guests and not the internal organization that's so desperately needed. This disorganization was also compounded by the fact that we didn't have any offices; we didn't have any desks; we didn't have any chairs. We didn't even have telephones until about the day we opened. So I'm sure our potential employees doubted our credibility when they were interviewed in a folding chair over a packing crate for a desk, and we lost some very good employees, I'm sure, due to this lack of organization. There's no question we even lost some management people. I mentioned earlier we had a slight turnover in our directors of personnel. We had one of them, our first one, when we were in our peak, peak interviewing period, and with this terrible disorganization and lack of facilities, construction going on, who about one o'clock in the afternoon, got up from her desk and said, "I'm having a nervous breakdown," and left. We never saw her again. Now, I would have cleaned up the desks and sent everything to her, but we didn't have any desks.

Our employee indoctrination and training programs were obviously set back considerably due to this kind of problem. A great deal of our host and hostess training program was really directed toward laying sod and painting fences and picking up construction trash. No one learned a great deal about their individual ride or their job, but everybody learned an awful lot about long hours and hard work. The night before we opened, however, we did have a formal indoctrination meeting. We assembled all of our park employ-

ees in our multi-media theatre, and we had prepared an employee handbook--this sort of thing--which will be available to anyone who wants them. In the handbook, it explains the rules and regulations and what was really expected of each member of the host and hostess team in the way of attitude, in the way of courtesy, in the way of appearance, general park rules. I really wish I could take credit for designing this book. Most parks are using a piece that's similar. I think the original format was probably developed about twenty years ago by Disney, by a marvelous gentleman named Van Frantz. I think we're probably all very indebted to him, because the format that was developed so long ago really does work, continues to work. The simple information that's provided in it really provides your first step in indoctrination and in training. You're really trying to teach your employees, your hosts and hostesses, to be showmen, because that's really what we all are. We're all in the entertainment business. We just work on a little larger stage than what an average theatre may offer. Each of us really has a role to play, and we must play it well if our show is going to be a success. It takes a lot of hard work, and it takes a lot of discipline. But given these ingredients, our results can be very rewarding. Our product is happiness. There aren't many other professions in the world that offer this for a basic commodity, and this is really what we tried to instill in our people in Magic Springs. It's not very new, and it's pretty basic, but if you really know and believe in our industry, your people will at least begin to understand what you've told them and what you've shown them is the simple, easy way for them to be successful. Once this happens, you'll have the best season you ever had, because it's the employees who make your park. You or I don't have very much to do with it. It's those kids out there on the rides and in the food stands--they're the ones who make or break you. And this type of approach of simple rules, honesty, a straightforward showmanship approach, is simple and has proven successful for us at Magic Springs, as well as a lot of other parks, a lot of other operations. I think it will continue to be so. Thank you.

CHAIRMAN HUTTON: Thank you, Bob. Next I'd like to introduce Ray Koons of Elitch Gardens, and he'll be speaking to you on scheduling on double scheduling.

MR. KOONS: Thank you and good afternoon. I am Ray Koons. I'm with Elitch Gardens. We're in Denver, Colorado. Our park is 38 acres in size. We run a seasonal operation of about 110 days, seasonal employees of about 800 to 850 at any given time during the peak of our summer in July and August. What I'm going to talk about is scheduling and double shift scheduling, a concept that we started a couple of years ago to get us out of problems that we found ourselves in.

Double shift basically means instead of running one shift a day, we run a variety of shifts; basically, two main shifts, one starting at 10:30 in the morning, going 'til 5:30 in the afternoon, and one starting at 5:30 in the afternoon and going to our closing time, around 12:00 or 12:30. Within these shifts, we also use a flex type scheduling--many schedules where some of our employees would not be coming to work, say, at 10:30, but they would come in about noon, when they were needed and go home at the end of the shift. No matter what shift anybody works for us, when their shift ends, their supervisor, the whole crew leaves on us and we start over again for our evening shift with a complete new group.

In '76, we found ourselves in a lot of problems with our seasonal operation. Our morale for our seasonal employees was slipping. We did have a vandalism problem with employees carving their initials on various rides, borrowing things. Employee theft was really running high, and we really had an extreme problem with customer complaints and high turnover for a park. At that time, we were in our 86th season. We opened in 1890. It just seemed that we had really become stuck in old habits and we needed to try to do something to break ourselves out. We sat down towards the first of August of 1976 to try to find what the exact causes were for these problems.

Of course, the very first one we came across was the fact that our kids at that time were working a thirteen hour day. They were coming in at 11:00 a.m. and for the most part not going home until 12:00 or 12:30. They just didn't have any time to themselves. They were working a six day work week. At that time, we found that boredom had set in. Of course, fatigue really had set in, and by July we found that we had one heck of an extremely high turnover rate.

To combat this, we decided at that time that we needed to look into exactly what our problems were, our causes, and to work out an agreement between ourselves as the management and along with our kids to exactly what they wanted. So we sat down and studied the program. But while we were studying it, as members of the management we were also out canvassing the ride operators, the food operators, games operators and asking them exactly what they thought our problems were. The very first thing that they suggested, of course, like any operation, was the low pay. There is a value there that the kids just felt that they should be paid, three, four, five dollars an hour, and they still figured that that would, you know, justify their being there. The long hours, of course, was their second thing, and third, which was somewhat surprising to us, was poor communication system. We had a complete, total breakdown between our supervisors and our crews at that time on communication. That was something that completely caught us by surprise.

Like I said, then we canvassed ourselves as management and wrote down what we felt our problems were. Of course, we had poor morale, vandalism, complaints and high turnover that had to be dealt with at that time. During the winter of 1976, we came up with a solution, and the solution would be probably one of the most comprehensive reorganizations of a seasonal operation in our 80 years history at the park. And we also decided at that time, when we went to implement the program, we were going to do it stepwise over a number of years instead of doing it all at once. This would allow our kids to get used to it. It would allow us at the end of each year to reevaluate the steps that we'd put in and to see exactly how everything was going.

The first step that we came up with was splitting our shifts. We went from the one shift of thirteen hours to two shifts of about seven, seven and a half hours apiece. The early shift comes in at 10:30, and these people are with us from 10:30 to 5:30. From 10:30 to 11:00--our park opens at 11:00--we have that half hour. During that time, all of our departments hold meetings with their supervisors, and with the members of their department. These are mandatory, paid meetings that they all must attend. We cover various items: day's operations from the past, any problems that have come up, what to expect in the coming day. Our second shift comes in

at 5:00. They do not go out and start work actually until 5:30. Again, that half hour overload is for mandatory meetings that all our people are required to attend. This we hoped would help solve part of our communication problem.

The second part of our program was to raise our base pay. This was to compensate for the fact that they were going from a thirteen hour day to a seven hour day. To do this, we sat down and came up with a pay that would be equal to what they make in a thirteen hour day, except they would make it in a seven hour day. It came within a dollar or two a day of being that.

To attack our third problem, poor communication, we also worked with our crews, as I said earlier, on open town meetings. We hold meetings between our supervisors and crews on a daily basis, and we hold meetings between our supervisors and management also on a weekly basis. We sit down on a Saturday for an hour, an hour and a half. We sit down and go over all the problems with these kids and see what their problem is. It's a two way street there. We also listen to them.

The fourth program that we just started in 1978 was to stress more basic operation procedures by our supervisors, and by that we made our supervisors sit down and start making their own decisions on the daily operations of the park. This was to take off a lot of the pressure that was being put on our management at the time. When we implemented this program in '77, we figured somewhere between a 50 and 60 per cent ratio the first year costwise. Of course, we had to go from 400 to 750 seasonal employees that first year, and then on up to 800 this last year, and new uniforms had to be bought because this came at a time when we were going through the park and putting all our people in new uniforms. We had the added cost of raising the base pay although that was offset by the fact that we had also cut off on overtime 75 per cent. We also cut down on our turnover by some 30 per cent, which meant that we didn't have to spend so much time in retraining our employees.

A couple of side things that were also cut were our accident rate, both for our employees and our guests, and our customer complaints. Complaints went down about 85 to 90 per cent during that first year and second year of the program. So basically the first year, in 1977, we came away with about a 75 per cent ratio of success in the program, and this last year we were probably close to about 80 per cent. We started also at that time a comprehensive training program, an indoctrination program for our employees and their crews, so that when they came, they knew what they were getting into. They knew how we stood as the management and what we wanted, and we also let them know what we were willing to give them and what we expected.

The important part of the scheduling, we found out is that we can use it both as a discipline tool and also as an initiative. The discipline part of it is if an employee doesn't want to produce for us, we just cut his hours back until he gets almost nothing. And for the initiative part of it, we still do have overtime, especially on our night crews, where our closing is open-ended, so we just let those kids work that time and they're able to earn a little more money. Another good thing that came out of it for us was good record-keeping, and it helped us to avoid some unforeseeable problems that developed during the last couple of years, especially with the Equal Employment Opportunity Commission and a few other problems we had like that. Good scheduling we found

also helped to keep our morale high, because when the supervisors do schedule correctly, we find that our turnover is at a minimum, and we seem to have a happier crew. Our scheduling is done by our lead supervisors, who have the responsibility of a certain segment of each department. They are sent schedules--then sent to the department manager for their approval, and then a copy of it is sent to my office and placed on file for company records. Also, we have found that good scheduling has helped us to foresee some problems. Like if a vandalism problem was coming up in a certain area, we were able to pinpoint some of the kids who were involved in it; theft problems, also. It also helped on the other end with positive points; when we were getting compliments from our customers as they were leaving, we were able to pinpoint who the operator or the young employee was.

In closing, I'd like to say that our scheduling has had both a positive effect as well as some foreseeable problems. One, we have had to really stress with our supervisors to watch the overtime situation, especially with the raise in our base pay. When turnover has started in a department, we have found it is harder to correct. With more kids, it takes us longer to get to the point and get it slowed down. And being a seasonal operation, most of the time we just don't get caught up with that until after we close. One of the better aspects of it is the good communication part of it. That has helped us avoid a lot of problems. Our double shift program was designed to get us out of a problem we were having with the morale, the vandalism, and it basically worked for us these last two years. And hopefully, we can see that we're going to adapt and get better.

CHAIRMAN HUTTON: Ladies and gentlemen, we have a big group here, and I'd really like to take a minute to welcome all the newcomers into the industry and/or attending the convention for the first time. You can really learn a lot at these seminars if you want to. One of the things is you can't be bashful, so you have to ask questions. And sometimes if we've been in the business a long time we make references to things we assume you already know. For example, Mr. Weitzel talked about employee and station guides, park guides. So did Bob. And I'm sure that there are some out here who do not have any sort of employee guides or interviewing sheets or a little data sheet that tells a potential employee what it's like to work at your particular park. So forgive us if we do slide over some things. But the point is this is a friendly, firendly group. It's where I learned a lot about the business, starting fifteen, sixteen years ago, when I was getting out of college. And we're going to have a question and answer period here, and if you want to learn, ask the questions now.

A VOICE: I'd like to direct it to all three members of the panel and ask them if they'll tell us what wages they're paying their employees.

MR. WEITZEL: No doubt most of you fall in the same situation that Frontier Village does. Probably most of you come under the federal guidelines, or, if not, at least the state guidelines. In the state of California, we are tied to what the federal government dictates for minimum wage for young people. Presently we are at 2.65 an hour. January 1st of 1979 we go to 2.90 an hour, and then we go progressively up the scale as Uncle Same raises the minimum wage.

MR. MINICK: Well, Magic Springs is a little more favorable maybe

than most. We're located in Arkansas, which is a lower minimum wage than some of the other states. The state minimum wage is \$2.20 an hour, and, of course, we're not governed by federal with the season our park operates. The park actually pays for seasonal help 2.25 an hour, with leads and foremen, whatever you like to call them, receiving about 25 cents an hour more, and certain seasonal skilled positions do pay more money.

MR. KOONS: At Elitch Gardens the Colorado state law says the minimum wage is 1.90. We start off at 2.00. Our second level is 2.65. Our third level is 3.05, and our fourth level starts at about 3.50 and goes up to about 4.50, and those are all based on areas of responsibility, levels of responsibility. The two lower levels are entry levels. Our 2.65 is our warehousing, mostly for that area. Our 3.05 is our lead supervisors in our specialty areas, which would be people working in cash control and various things like that. And our fourth level is our area supervisor level, which starts at about 3.50, I think.

CHAIRMAN HUTTON: In Frontier Village we do pay supervisors more, too. Also, in California there is 140 hour training provision that you can bring new employees in and bring them in at a lower rate, a quarter per hour rate, but we found, or we optioned not to use that, because the kids are with us such a short time in the summer, and it's so competitive. Some of you might have read an article in the Wall Street Journal, I think, about the fast food operations, like MacDonalds and all--they have a tough time getting part-time people, and the competitiveness of that, and we find that where we are, we have to compete, and so we do not use that option, and we do use the minimum wage, although we don't go over it.

A VOICE: Again, addressed to everybody, what do you do with the second year employee? Is it scaled up?

CHAIRMAN HUTTON: At Frontier Village we don't, unless they've moved up to a supervisory capacity, which we have done, and we also have some increment raises after they've been there so long. Ray.

MR. KOONS: At Elitch Gardens, we don't do anything for second year employees. The only way they would be able to get a raise is to be moved into another level at that time.

MR. MINICK: Magic Springs hasn't had a second year.

(Laughter.)

MR. MINICK: However, the state minimum wage increases next year. Ours will certainly increase, and for those employees returning, we're currently analyzing a slight increase for those in the range of five or ten cents an hour.

A VOICE: I have a question I'd like to direct to Ray specifically, and then a second question that will affect everybody. Ray, what was your structure prior to this transitional period that you had, rate structure, number one? And the second one is based on this rapidly increasing minimum wage, how are your park rates and charges going up?

MR. KOONS: The first part of it is the Colorado state minimum wage at the time was \$1.10, I think. We were at 1.35 an hour.

And the second part of that is we base our pay as certain percentages of the minimum wage. Level 1 would be at 75 per cent of the minimum wage; level 2 being 100 per cent, or 95 per cent, somewhere in that range; 3 being 115 per cent; and level 4 I think is somewhere around 120 per cent. So as the minimum wage goes up, our scale will probably go up. Like we'll base it on 75 per cent of 2.90, which I think will be 2.20 next year--something like that.

A VOICE: Actually, I was asking in the second part, how is this going to affect pricing to the guests, the rapid increase in the minimum wage?

CHAIRMAN HUTTON: Well, some of us, I know, are raising prices next year. Ray?

MR. KOONS: At this time it hasn't been determined by our management, so I really don't know. You know, I don't have too much to say in that part of the operation. And I would say due to the fact that it will have to go up, that our prices for the guests coming in will also have to be raised, just right offhand.

MR. MINICK: Magic Springs will be raising their price next year. We opened this year with a lower price than really what the prevailing market rate might have been intentionally. We wanted to be on the low side for our gate admission. However, we will be increasing about, I think, twelve per cent next year, and we will continue to increase as we provide new facilities, and certainly to help cover escalating costs. But we'll also try to tie it to the value received for our guest. We utilize a pay one price policy. This year we were at 5.57 for adults, 4.75 for children, and we had a senior citizen price of \$4.00.

CHAIRMAN HUTTON: Okay. Why don't we identify ourselves. I think that's helpful, too. So when you stand up, tell us your name and what park you're with.

MS. ANDERSON: Joyce Anderson from Ponderosa Ranch in Nevada. Do you offer your employees who stay through Labor Day any kind of a bonus?

CHAIRMAN HUTTON: This goes on every year, and it is a legitimate question, and I know parks try it, throw it out, initiate it, keep it. Let's raise our hands. How many folks pay a bonus if they stay through Labor Day?

(Show of hands.)

CHAIRMAN HUTTON: Look backwards, Joyce. Well, obviously, some parks have been successful with it and some just haven't. Do you have some more to that question?

MS. ANDERSON: Yes. How much are you talking about?

CHAIRMAN HUTTON: Does anybody up here offer summer end bonus? We don't. She'd like to know what the charge of the bonus is. Who would like to talk on summer end bonuses and feel they have a successful program?

MR. WATERMAN: I'm Turk Waterman from Riverview Park in Wisconsin Dells. We add ten cents an hour to everyone's wage. They get it only if they finish the summer for us. In other words, it's a bonus they get if they finish; they don't get it if they don't

finish.

A VOICE: What's the response to that? How do you feel about that?

MR. WATERMAN: We've lost one out of seventeen gate employees.

MS. BELL: I'm Sally Bell from Tulsa, Bell's Amusement Park. We give a ten per cent bonus. We have a problem though. We have a state fair that comes the fourth Friday after Labor Day, and it's the ten really biggest days of our season, so we really have to get our people, and we gave sizable bonuses this year because a lot of them started with us in March.

CHAIRMAN HUTTON: You said ten per cent?

MS. BELL: Of their gross earning.

CHAIRMAN HUTTON: And was that based on through the fair or through Labor Day?

MS. BELL: Through the last day of the state fair.

CHAIRMAN HUTTON: Does it work?

MS. BELL: Yes. But unfortunately, the bad thing is the bad ones stay, too.

CHAIRMAN HUTTON: Right. Some of the marginal employees stay for the bonus, also. It's hard, because you lay that money out and you always wonder if it's doing the trick. And I've had employees in other parks leave in July, and you can't understand it when they had a \$200 bonus coming. But some employees won't stay for that bonus if they want to take a three week vacation with their peers. Yes, sir.

A VOICE: We paid five per cent on an escalating basis on gross sales. We found that our increased gross was approximately 15 to 20 per cent. In addition to that, we also had a dinner dance for all the new employees after the summer, and that was 627 employees.

CHAIRMAN HUTTON: Were these commissions you paid on sales?

A VOICE: On sales.

CHAIRMAN HUTTON: So this wouldn't affect the ride operators or things like that. You're talking about sales people.

A VOICE: Well, our operation is a ride to the top of the tower, and, of course, we also have rides to the side of the building, but it was all based on the gross, and all of the employees benefit by it. It was a self-policing sort of thing. If you had someone who was not working, you know, other people would force them to work.

CHAIRMAN HUTTON: It's like a profit sharing. Okay. He paid like a profit sharing bonus, five per cent, and his sales went up fifteen to twenty per cent, and then the employees shared the pie at the end of the year, at the end of the summer. And if an employee wasn't performing, his own peers or her peers would give them a little boost, I think. We're going to talk about extracurricular activities in just a minute. That's a segment of our program, and we're well on schedule, so we won't hold you unnecessarily, but for

those of you getting something out of it, we're going to keep going. We have about 45 minutes, so extra activities we'll hold off for just a minute, so relay any questions you have right now to any of these speakers on orientation or scheduling. Yes, sir.

A VOICE: I was very intrigued by the committee not increasing wages the second year, and I would like to know why, and what they base their reasoning for this.

MR. WEITZEL: As Ed mentioned earlier, Frontier Village is basically a year round park, open on the weekends in the wintertime and fall and daily in the summer. Most of our employees will stay with us anywhere from three months to nine months, and as an employee stays longer and longer, they do move up into positions of responsibility, such as relief personnel or supervisors. We also compensate these people on a merit type system. We might have an employee who stays with us for two years and is doing average work, and we might have an employee who's been there for three months and is doing exceptional work, and we will compensate that employee with a ten, fifteen, twenty-five cent raise. So we do look at our employees on an individual basis, and if they're worthy of an increase, we do give them an increase, but it's not based on longevity; it's based on individual performance more than anything else.

MR. KOONS: We did give second and third year people--I think it was a dime or fifteen cents back through about 1976. We found that we didn't get the results we were looking for. We were looking for the young person coming back who would be staying with us and moving up through the organization. Well, we found out we were just having a lot of our older people who we wanted to get rid of coming back, and the people who were coming back who were good, were getting soured. They were just all getting upset. So basically in the last year, year and a half, we have had a very stringent policy. One, we do not give a raise, unless you're moved into another level, merit or otherwise; and, two, you do not get a raise for anything else. We tell these kids this right up front when they come to work for us, and it's just saved a lot of hassle with us, because we've been open and honest with them. If we had gone with the merit system, we just didn't think we could justify it for everyone, because there would always be someone out in the group who felt he should get the raise. And with the second year person, we'd have to base it on how long he had worked there during the first year. If he came in in July, then the kid who started in May was complaining, so it was just too big of a hassle for us, and we just dropped it that way.

CHAIRMAN HUTTON: I don't recall who, but there were one or two parks that I heard speak here a year or two ago that did not want returning employees particularly, so they didn't offer it. That was their approach, and they had their reasons. They found that they caused problems and they didn't cooperate as much and there were those kinds of problems. How many parks will not hire back employees that have worked the previous summer, actually have a policy?

(Show of hands.)

CHAIRMAN HUTTON: The Bell's amusement park only? Tell us why.

MS. BELL: Well, every year we say we're not going to take them back, because every year without fail our returning employees end up being problems, and so this year we're not taking them back.

MR. WATKINS: My name is Barry Watkins from the Santa Cruz Seaside Company in Santa Cruz, California. I would like to know if any of the speakers have a disciplining system or a warning slip system for their employees?

MR. KOONS: We have both a written and an oral system for our employees. The first warning is an oral warning given by the supervisor, and it is written down for their memory and for ours in case another supervisor would find a problem. And then we do have a written suspension policy up to 72 hours without pay for any infraction.

MR. MINICK: Magic Springs is using really an oral warning system. However, that is transferred back to a permanent record. We don't base it on you know, three warnings and you're out. It really depends on the infraction, and one can get you thrown out, although someone might have six. But it is a verbal warning that is also recorded in our office on an employee card.

MR. WEITZEL: At Frontier Village we think we have a very good program as far as our personnel goes and our supervision. All of our employees have a direct supervisor working with them, and the supervisor's really responsible for handling that employee and his or her performance. So the supervisor does the oral reprimands or the consultations if the employee gets out of line, and we kind of take the shackles off our supervisors and say, "Okay, this is your responsibility. These are your people. Once the schedule's posted, you're responsible for training these people and supervising them." And they deal with the employee. If the supervisor has a problem where the employee will just not listen to the supervisor, then the manager, departmental manager will sit in with the supervisor and the employee and try to bring this problem into perspective. And we are very, very pleased with our program. We don't use written reprimands. We will take them and talk to them either once or twice. Very seldom do we have to go a third time. We rely quite heavily on the supervisor, letting him handle his or her peers. It works out very well for us.

CHAIRMAN HUTTON: I think that's about a three year program. So it's not something traditional. We instituted that about three years ago, and we certainly fire our share of employees, so it's not that we're lenient by any means. Yes, sir.

A VOICE: Ken (Inaudible) from Libertyland in Mamphis. We have a problem at our park. We hire a large number of minorities, and when we fire a minority, we are very subject to getting zapped by the EEOC. Does anyone have any solutions for that problem?

CHAIRMAN HUTTON: Okay. That's a current problem I think in our industry. Actually, it's a current problem nationwide in a lot of industries. Does any of the three speakers want to respond to that, or anyone in the audience like to respond to that? I've got the feeling the bigger the park you are, the more direct confrontation you have with a problem like that. Is there any response up here? Anybody out in the audience? I will say--this is a little bit different. I don't think you're going to get a lot of help from me or this group evidently on it.

Anything else then on employee reprimands?

A VOICE: Dick (Inaudible) from Oaks Park, Portland, Oregon. We have what we call a Darby sheet. We have our foremen fill it out,

and we call it a Darby sheet because the former employee had more excuses than anyone in the country, so it's called a Darby sheet. We print it. That way the foreman puts down whether he comes back late from his break, late from this, late for that, a discrepancy for a customer. It's all written down. We put it in their file.

A VOICE: (Inaudible.) A question for Mr. Weitzel. You seem to have a very organized orientation program. I presume you orient people by groups. Do you prefer to work with a specific size of group? If so, what size is it? Also, what happens when you hire in the middle of the season and you don't hire anyone else about that time? How do you orient that person?

MR. WEITZEL: We do hire roughly 400 employees a year, and we are continually hiring people, because we are a year round operation. There's only about two months out of the year, probably November and December, when we do not hire. We prefer to set up an interview with fifteen to twenty employees. Out of that, we will probably hire ten to thirty-five per cent of that group; seven or eight or maybe ten people will be brought in a week later for an orientation, which is given by the department manager, and we hold orientation in our Silver Dollar Saloon before the park opens in the morning, and it is attended by our park manager and usually one supervisor. We do have an orientation film, which we have developed on our own. We did pattern part of it after the IAAPA training film, but it is a slide presentation. The employees see that. They are also given what we mentioned earlier, some guides. We have a general employee's guide, department guides and individual station guides, and we discuss the material briefly in these guides. And the employee then is given a uniform and sent home to read the guide and fill out his take-home test. Everybody in the park, from our famous general manager, Ed Hutton up here, down to the brand-new groundskeeper or zoo personnel, everybody receives the same orientation, and we do this as we have the need, but roughly it's weekly in the summertime, in the morning on a Friday morning or a Saturday morning, and it's a group of about ten to twelve employees, and it works out very well for us. We're happy with it. It takes a lot of hard work. I mentioned in my presentation the supervisor and the manager have to dedicate their time to this effort. You just can't turn it over to the new ride operator and say, "Okay, show this employee around." You've got to put the time and effort into it, and when you do, you give the responsibility to your supervisors and say, "Okay, it's your ball of wax. It's your game." And they rise to the occasion. These people are sharp. They're probably a lot sharper than we are, and they know how to get the results from their peers. You give them the leeway and the freedom to handle their area of responsibility and do a good job. But we do have guides. We do have a training film. And we do have on-the-job training, and it all fits together into a nice ball of wax. Did that answer your question?

CHAIRMAN HUTTON: Well, actually, we show that film to a new marketing secretary all by herself, for example, if she's the only new employee. Any other questions. Yes, sir.

A VOICE: I'm from Bell's Amusement Park in Tulsa, Oklahoma. I'd like to ask the panel how they handle employees clocking on and off as far as coming in at the beginning of the shift, going home at the end of the day, and as well as breaks, lunch, things like that.

MR. KOONS: We have one central time clock, which is located in

our administration building, which is just inside our gate. The employees, all 800 of them, use the time clock room. It's set up for that purpose as they go in. Also, our bulletin boards and everything for information is located there. As far as breaks go, we have to follow the Colorado state law pretty well on that, which sets out breaks after a certain amount of time. After six hours, they would have to receive a dinner break. We do it. We give usually one ten minute break after the first two hours of operation, and a twenty minute break, which we designate as a dinner break, after the second two hours, after four hours of operation at that point.

MR. MINICK: At Magic Springs we use actually two records for employees. We have a time clock, a mechanical clock with a time card room and all the racks and so forth. The employees punch in there at the start of their shift. It's close to the locker rooms. However, we also have the park divided into a number of sections. Large rides may have a lead or foreperson, and that person also keeps a written record of when the employee arrives. We found out years ago that just because they punch in on time doesn't mean that they arrive on time. So we've got a cross check back and forth between when the employees show up, when they punch in, when they leave the ride, when they punch out. Any deviation in their scheduled break operation is also noted on the foreman or lead work sheet, which is turned in to the office, and that is utilized in conjunction with the time clock to compute their weekly salaries.

MR. WEITZEL: All of our employees at Frontier Village will clock in in the employees' lounge, which is one central time clock station, and then report immediately to their station. The supervisor will either check the schedule and the time cards to make sure that people clocked in, or delegate it to a person to follow up to make sure people have clocked in properly. An employee goes right to his ride or station and begins to open up his station, and the supervisor comes around and double checks these people to make sure that they are doing things properly, and it works out very well for us.

MR. NELSON: To give 400 people a break, how many people do you need to get this taken care of on like a ten minute break?

MR. KOONS: Breaks are given in our park according to a department. In our rides department, we have six full-time relief people on any given shift. In the cash flow area, I think it's four on any given shift. Food operations is given without any additional people being added. Grounds operation is given without any additional people being added. Our games operation has four people on any given shift.

MR. MINICK: Obviously, that's going to relate really to your capacity and your demand. Let's talk about a normal eight hour shift. If you're giving the employee, let's say, a break in the morning, a ten minute coffee break or whatever, a lunch or dinner break and a ten minute break in the afternoon, the rule of thumb on that is always for each four or five people, it will take one person to give them that relief that works on a four or five hour shift. Now, however, depending on your own demand of what capacities are required and what your people flow is, you can sometimes get by with a lot less, and sometimes really creative scheduling will solve that problem and require less break people than that. Because we do run a two shift schedule in Magic Springs, we're able to bring in a mid-shift person who works twelve to seven, possibly,

who handles breaks for both the morning shift or day shift and the evening shift, so it really depends on each individual's own particular demand. But if you figure one for every four or five, that's a good rule of thumb to start with. Then how you develop from there is really management technique and expertise and knowing your own demand.

MR. WEITZEL: Our rule of thumb at Frontier Village is one relief person for every six to seven employees. We don't follow exactly the California requirements. We're a little more lenient. We give a half hour lunch for a full eight hour shift and two fifteen minute breaks, and we do pay the employees for their break time, for their two fifteen minutes. We do not pay the employee for his lunch hour. We do not have the employee clock in and out for lunch. The relief person has what we call an agreed relief sheet, which has a list of the employees working, what time they came in and when their scheduled breaks and lunches are. So the relief person will then go to the ride or food station or whatever it might be, start the break, give him a fifteen minute break or a half hour lunch, and actually time the individual. These relief sheets are turned in to the supervisor each evening, and, of course, the supervisor reviews them, and if there's any problem developing, he will correct it immediately the next day, or if the employee is still there at that time. But we do follow the rule of thumb of one for every six or seven employees, and it works out quite well for us.

A VOICE: No one up there has mentioned about ages of employees in different departments.

CHAIRMAN HUTTON: In different departments?

A VOICE: Yes. What ages of kids do you use?

CHAIRMAN HUTTON: All three of us are sixteen years old here. I know the Santa Cruz boardwalk is, I think, eighteen for the rides, right across the hill from us. They use 18, something to do, I think, with their insurance carrier or whatever, but the three of us, the three parks up here are sixteen years old. We can't hire under that in California.

A VOICE: You use sixteen year olds on major rides?

CHAIRMAN HUTTON: Yes, sir.

A VOICE: I'd like to ask you what type of reward system do you use above your base salary.

CHAIRMAN HUTTON: You mean an incentive program? Okay. Mr. Weitzel said we give merit raises based on their performance after they've been there three to six months. If we've had an exceptional employee that's just a crackerjak, we'll see that he or she gets a raise, and other employees can work there a year and a half and not get a raise. They don't use an incentive at Elitch Gardens.

MR. MINICK: We allow them to continue working.

CHAIRMAN HUTTON: You know, that is a discussion in itself. We don't feel that we owe a job to anybody at the Frontier Village, I know, and the kids have to work for their jobs, and we do reprimand and we do fire, and they know they have to work to earn their

pay, and I think that's valid, and sometimes some of us forget that. Yes, sir. You were next.

MR. WILLIAMS: Don Williams, Lakeside Park in Virginia. I'd like to know from each of the three speakers just what your hair dress code is. Are you being more lenient nowadays, or whether you're still--are you an example for your park?

CHAIRMAN HUTTON: He was looking at Mr. Weitzel's haircut when he asked that question, so we'll let Mr. Weitzel answer that first.

MR. WEITZEL: My hair is a little bit too long, and I will get it cut by tomorrow. We do have very strict hair standards at Frontier Village, although I must confess we have slackened up a little bit in the last year or eighteen months because of the competitive nature of the Santa Clara Valley. I did bring along some pictorial examples, because I thought these questions would come up, and they are on the back table for you to pick up on your way out. When we interview an employee, we show them these pictorial examples. It's on a sheet of paper, and we ask them specifically, "Do you have any objections to getting your hair cut to a closely groomed style?" Some people say, "No, no objections." Others are honest and say, "Yes, I would object." And then if they say, "No, no objections," we quiz them further, ask them, "Okay, how are your friends, your family, your girl friend, boy friend going to respond to this?" Sometimes they think and say, "Yeah, that's a good point. Maybe I don't want to get it cut." Most of the time they say, "I'm my own individual, I'm my own person, and I will get it cut." We give them the picture to take home with them, and we tell them to take it to the barber shop and show the barber exactly what is required of them. Then when they come back to orientation a day later, a week later, whatever it might be, we meet them on the front porch of our Silver Dollar Saloon, and if their hair is not cut to our standards, it's not close enough, we will not orient them. We tell them flat out, "We told you what was expected of you, we gave you a picture. You said you wouldn't mind cutting your hair, and we can't do anything for you until you come back and show us that you want to work for us." So, like I said, we don't owe them anything. If they want to work for us, that's fine, if they want to meet our standards. We're up front with them. We give them a fact sheet. We give them grooming standards ahead of time. We tell them what the rate of pay is ahead of time. Everything is up front, and if they want to work, fine. We have the hours for them. If they don't, then we'll find somebody else who wants the job.

MR. KOONS: For the hair, it's usually off the back of the collar, out of the front of eyes, somewhere around three-quarters off the ears, sideburns allowed, mustaches are allowed, no full beards. For the girls--

(Laughter.)

MR. KOONS: --it has to be up on top, either that or tied back out of the way for being in ride operations.

MR. MINICK: Grooming really hasn't been the problem in the last few years that it was a few years before that. We go with a modest grooming code at Magic Springs. We have moderate length hair, not over the back of the collar, and no sideburns below the base of the ear. We've primarily tried to get the employee to be well-groomed rather than to dictate a two inch hair length or one inch

or whatever it might be. It's primarily for that employee to look well-groomed. We have posters that show more or less the appropriate sort of look that are posted. We don't give them anything to take home. The employees are told out front that certain standards will be required of them, whether it be hair length or new tennis shoes or whatever it is, and we have had very little problem this year with grooming. The hair length did not seem to be the problem because of the changing styles, and that's fortunate for all of us.

CHAIRMAN HUTTON: Okay. We've got lots of hands now.

MS. JONES: I'm Marsha Jones. I have a three part question. One is how do you go about attracting young people while school is still in session? The second part is what do you in a state--like I'm in New Jersey, and it's pretty tough, working kids at night. They're really pretty strict about that. After 9:00 o'clock, you're dead, as far as I know. And the third part is, do they have to pay for their own uniforms, or do you supply them? How do you handle that?

CHAIRMAN HUTTON: Well, maybe I can just recap. One, we--Frontier Village advertise all over the place, in college newspapers and regular newspaper want ads. We use friends of the employees, and we use small easels, like we said, around the park, which is something new, to say that jobs are available at the park. Some of the bigger parks, I know, use college campuses a lot. Warren and Bob, Ray, one of you.

MS. JONES: Excuse me. That's not--

CHAIRMAN HUTTON: The first part of the question, how do you attract employees to work?

MS. JONES: No, while school is still in session and they can't get off in the daytime.

CHAIRMAN HUTTON: You're using the wrong kind of employee then. Obviously you can't.

MS. JONES: You're saying you use 16 year olds. A lot of times they're not out of school.

CHAIRMAN HUTTON: Most of us that employ all students are only open when students are out of school. We run that kind of schedule--daily in the summer, weekends in the year. We have that crunch like the first three weeks of June, but we do have supervisors running rides. I get to run the train or whatever. But anyway, it's a school program where we bring in 10 to 15,000 kids the first three weeks in June we're open, and yet all our kids are in school except for a few college kids. So Warren worked out a program where he recruits heavier for college students that time of year that are already out of school. They might be on the quarter system. We've tried senior citizens and had mild success with them, but we've had some, so you might think of that. Is that starting to get close to your question?

MR. MINICK: Magic Springs coincides with school schedules for the most part. There's a little bit of conflict obviously. You can't be exact because of the different school districts, and we had a few days where, yes, we had all of management and secretaries and everybody else running a ride or selling tickets or

whatever. However, we do pretty well coincide with the number of normal public school schedules. Also, as far as soliciting employees, we were a new park this year, and really we were the place for employment. Hot Springs is not that large a city, and we offered the young people the place to work. We had no problems securing applicants for jobs. Like everybody, good applicants are always difficult. As far as wardrobe is concerned, it's our policy to furnish all the employee wardrobe as far as shirts, trousers, dresses. We do not furnish shoes or any kind of undergarments. The rest of it is furnished by the park. It is also maintained. We operate our own laundry.

MR. KOONS: Okay. The first part of it was how to keep open during school sessions. We do about like everyone else. We're only open weekends until they're out of school. We do run into it every once in a while. Some of the schools when we do open in June aren't out, but however Denver is in a unique situation. We're on a Concept Six year round school system in two of the larger districts that we draw from, so we do seem to have a steady availability of young people who are out of school looking for work. Who pays for the uniforms? We pick up the shirts, the coats and things like that. As far as the pants and the shoes go, we tell the color of the pants and the style of the pants and the style of shoe, and we set up a discount for them to purchase that. They take care of their own uniforms during the season. And as far as ever having trouble getting applicants, that doesn't seem to be a problem at all from about spring break on in April. This last year we had, I think, somewhere around 4,500 applications for employment, so we just haven't had that. Matter of fact, we just had the opposite problem trying to keep up with them.

MR. WEITZEL: Basically we, like Ed mentioned, attract employees by signs and advertising and newspapers and getting the word out, and it being a year round park, it does help us, because we're constantly getting an inflow of applications. Our problem is that we lose people. Sixteen year olds have trouble finding a job in the Santa Clara Valley, but when they turn seventeen or eighteen they can go to work for an electronics firm, and that's where our problem comes in. In the state of California as far as working an employee past a certain time on a school night, we cannot work an employee past 10:00 p.m. On a night when there is not school the next day, that time period is extended until 12:30 p.m., so our marketing department knows this, and on a Friday night or Saturday night, we can have night parties up 'til 12:00 o'clock. If we do have a night party, let's say, during the week for some reason, we do have 18 year olds, 19 year olds, 20 year olds that are working and come to us, so we schedule those people for the night shift. We'll bring them in at 5:00 o'clock, work them until 12:00 o'clock, 1:00 or 2:00 in the morning. And as far as uniforms go, we supply all of the uniforms at the park, except for the shoes. We do take a deposit of \$3.50 per week out of the employee's paycheck to cover the cost of the uniform. When the employee does leave the park, he has thirty days to turn in his uniform. At that time, we do mail him a refund within ten to fourteen days. The employee is responsible for maintaining the uniform, washing and ironing and any minor maintenance, such as a popped button or a little snag. If a uniform is soiled because of grease or a major tear in it, they can exchange it on a one-for-one basis.

CHAIRMAN HUTTON: Ladies and gentlemen, before we have anymore questions, we had a segment of our program talking about extra-curricular activities for summer employees, obviously during the

summer, and we sent out a survey. Now, how many sitting in this room saw that survey and completed it on what you do for your employees during the summer?

(Show of hands.)

CHAIRMAN HUTTON: Okay. Not a lot. It's quite a lengthy survey, and our problem was that the results were just scattered all over the place, so I'm going to go down the list, and then I would really wish some of the people who have some fine, fine employee-type activities for their teenagers, their employees, would stand up and speak and make any additions to my comments here. These are the highlights that came out of some 60 to 70 parks responding. One of the highlights was trips to other amusement parks and attractions. They set up trips for the employees to go to another amusement park or to ride a tour boat around the bay. For example, Frontier Village doesn't really appeal to teenage kids as far as going there as a customer, so we have taken people over to the Santa Cruz beach and boardwalk every summer for the last four years. We have a night that we arrange, and we go over to that park. We're closed at night, so it works out fine, at least during the week. So they go over there once a year and ride the rides over at the boardwalk, and the boardwalk cooperates with us. We take them up and ride a bay cruise, San Francisco Red and White Fleet. We have a night for that. We have had live bands the last two or three years. This year we had a disco. I stayed home, but we had a disco, and in this particular case we charged them a dollar or two.

MR. WEITZEL: A dollar.

CHAIRMAN HUTTON: Okay. We charged them a dollar for the boat and two dollars for the bus ride. They did not have to take a charter bus, but we had charter buses come in to our parking lot, and we took them up by charter bus, and there were snacks on the bus that we supplied, and then it was another dollar. It was a total of three dollars if they wanted to take the bus and ride the boat. The boat didn't cost anything. We traded that with the Red and White Fleet, but that just helped subsidize the bus cost and the food and what have you, and the employees didn't mind at all. It was like a ten, twelve dollar trip. And in turn, the Red and White Fleet comes down to our park for an annual picnic and event. So one of the things was trips to other attractions.

Then some of the parks, like Cedar Point and those type parks, bring in employees, and they stay there, they live close by in the area, when they're not near their own home. They have movies; they have dances, lots of scheduled dances, and they have parties, in addition to some permanent type recreation facilities, like a place to go after work and get snacks and to dance, to play pool and arcade machines and the like. Every park is different--depending on what needs they have to fill. Going to sporting events, and secondly having sporting events among the employees and competition are other activities. The boardwalk in Santa Cruz has--they call it their Olympics, and they have ten different events, and employees have teams that they choose, and there are trophies at the end, and it goes on for several weeks, doesn't it, Barry? About eight weeks this thing goes on, and this week the management even got involved.

Summer end bonuses were mentioned in the survey.

Almost all parks responded with complimentary tickets, and there's all sorts of plans--you know, two tickets with every paycheck, four tickets a month, whatever. Most parks allow the employees themselves to ride any time they want by showing their employee I.D. cards, and they also give the employees so many tickets to give to their family or friends per month, per day period, or whatever, or per summer.

One park has something which I think is a meaningful activity. They have an employee party, but the immediate family is invited, and I was impressed with that.

Free employee food. There were some that gave free employee food as a bonus. Christmas parties--and that came up with both parks that were already closed for the season and also came up with the year-round parks in the survey. And then there are about four or five larger parks that gave scholarships, and if anybody wants to see me or write the IAAPA office for this complete survey--I could either answer specific questions or you could get a whole survey, but the details, you'd have to talk to the individual parks on scholarships. Are there any questions or did anything come out in those few things that I just went over on what you do for your employees to keep them excited, to keep them hopped up, besides giving them a job. Okay.

The question is what kind of benefits as far as health insurance and that kind of thing. Well, employee comp., I think that must be required in every state. That's required by law, so there's no problem there. Our part-time employees at Frontier Village do not get health insurance or profit sharing or life insurance or anything like that. They get paid when they work, and they get time and a half over eight hours, because that's required by law. And then we have activities throughout the year for them, both at the park and outside at other parks and attractions. Ray.

MR. KOONS: As far as any insurance goes, no, we don't carry any, just workmen's comp., which the state requires us to carry--no health or no life insurance or anything like that for any of our seasonal operation.

MR. MINICK: We pretty much have the same situation. Our seasonal employees really do not receive any of the benefit programs that will be offered to permanent employees.

CHAIRMAN HUTTON: Any other questions?

A VOICE: I'd like to know if any of you have a suggestion box or if you have an employee/management council meeting of any sort.

MR. WEITZEL: Yes. We do have a suggestion box in the employee lounge. Our employees are invited to submit their suggestions. They go directly to the general manager. Of course, any suggestion that is well thought out is answered personally by Ed in the form of a written letter to the employee. We do have in the summer-time what we call town meetings, where we invite the employees to come to the park in the morning before the park opens. We serve them doughnuts and coffee, and Ed is there, along with the departmental managers and the staff, and we just have a rap session, and this is held once a month in the summertime for our employees.

MR. KOONS: As far as the meeting goes, we do hold weekly meetings on Saturdays with all of our supervisors, and that is a mandatory

meeting for them to attend. For the people who are coming on for the night shift, the meetings are held ahead of the shift, and for those leaving, it is held right after, at about 5:00 or 5:30. And we do have a suggestion box. It's located in our time clock room for the employees. The suggestions are picked up by the personnel department and handled through that, and then passed on to management for consideration.

A VOICE: Do you find you get very many meaningful suggestions out of it?

MR. KOONS: This last year, about 200 suggestions--about five were worthwhile.

MR. MINICK: We really did not do the suggestion box thing this year. We were busy trying to get the park open, and we were really remiss in doing some of those things. I've done them in the past, and they can be very, very beneficial, after the first week when you get all the dirty notes. Then it pretty well straightens out, and a lot of times you can get some doggone good suggestions. We did not do that, as I say, this year; however, we were pretty fortunate in that we had what you might call an open door relationship with all the employees. My door was never closed, and really neither was virtually any door of the management staff there. We got a lot of good interaction out of our kids, and they had some good suggestions, but more on a one-to-one basis. We did not do it formally, although we probably will. We did have regular meetings with foremen and leads and supervisors and so forth, but general employee meetings with question and answer sessions and this type of thing, we did not do this year. I wish we had, and we certainly will be doing more of those things in the future.

CHAIRMAN HUTTON: We get most of our suggestions from our entertainers. They always have something that they want to do or change or whatever, so most of our suggestions come from our entertainers. But we do get some positive ones, and we try to answer them by letter. And even if it's a good one, it may be something that we don't want to do because of cost, or it's in next year's plan, or we've already reviewed, or we already knew about the idea, but we at least thank them. And then on occasions, even though it's not a formalized program, we do send a check once in a while to an employee thanking him for this particular idea. The check is a nominal check, like \$25.00, but it shows them we care, and that's the exception. We really don't have a formalized program like that. Any other questions?

A VOICE: I wonder what you do with employee vacations.

CHAIRMAN HUTTON: Well, Frontier Village doesn't give vacations. They're told this. Again, we're way up front about it. They're asked if they need time off in the summer. If they say yes, they are normally not hired. And if they come to us and say that they have to have it off, then it's put back in their lap, and they either take it off and go on vacation with their parents, knowing that they will not have a job when they come back and they left the company under unfavorable terms. Ray.

MR. KOONS: We do allow seasonals vacations. We require a two week notice on it. There are leaves of absences. We require the person to let us know when they're leaving and when they'll be returning. During that time, if we do have to hire someone to fill their posi-

tion, they are told and do have the understanding when they come back we will try to rehire them, place them back into the department where they were, but if there was no opening in that area, we had to hire in that area, then we will put the person in some other area where we can, if they're an employee we want to keep around.

CHAIRMAN HUTTON: Anything else?

A VOICE: How many days a week do your employees work?

MR. MINICK: Five to six.

CHAIRMAN HUTTON: Five to six days a week for these two gentlemen over here, and we base ours on a 40 hour week, which would really come out to five or six days a week. Have to watch the 40 hour wage situation in California.

Thank you.

...The workshop was concluded at 5 p.m....

CASH CONTROL WORKSHOP

TUESDAY, NOVEMBER 14, 1978

FAYETTE, NEWTON, ROCKDALE & FORSYTHE ROOMS

The Cash Control Workshop convened at 3 p.m., Dale Van Voorhis, Geauga Lake Park, Aurora, OH, presiding.

CHAIRMAN VAN VOORHIS: Good afternoon and welcome to the first session of Cash Control Workshop at the IAAPA Covention.

Our first speaker this afternoon comes to us from National Cash Register in Dayton, Ohio, Frank Leon. He has been with National Cash Register some 21 years, starting in Reno, Nevada, then going to Santa Barbara, New Orleans, Chicago, Minneapolis, and finally presently as director of general retail marketing for National Cash Register. Frank Leon.

MR. LEON: Thank you, Dale. Good afternoon. A friend of mine recently told me that if you wanted to be considered successful in your business, there were three things you had to do. You had to keep the ride activity up, you had to keep complaints down and had to keep the gate prices reasonable. But you and I know today it's not quite that simple. I can think back as a kid growing up in Pittsburg and the highlight of my summer season was the annual school picnic at Kennywood, and it was the biggest thing I had ever seen in my whole life. And now after seeing some of the parks that I visit as a result of the job that I have with NCR, I would guess that what was so large in my early visions would seem like a comparative telephone booth. But now things are much more complicated and much more demanding. We still have the same basic problems in terms of having to control the people that work for us, the merchandise that we have available for sale and the money that is handled in the sale of the merchandise. In our business with our corporation, we visit parks and we are asked such questions as how can I get better control over my cash? For us, this is a varied question. It's not strictly a matter of the money I take in, or how to make sure it's all there at the end of a given time or a given day, because the control starts from the time that

I decide to go into business, from the time that I get the first piece of merchandise to sell or put the first ride up.

Now, in the areas of merchandise, the questions that we're asked is how can I know what's moving, how can I know what my various inventory levels were, in cases of staffing and personnel. It's expected that in 1979 labor as a percent of your revenue will be 10 percent higher than it was two years ago. So how do I know what my sales activity is at what particular time of the day in what areas of the park, because controlling cash also has to do with controlling expenses, to make sure the bottom line is adequate, to make sure that the bottom line represents everything--that is all encompassed in cash control. We are asked for any other ways that expenses can be reduced or any ways that we have found that we can help increase the per capita.

I'd like to key for right now with this part of the conversation on the Marriott Great America Theme Parks. You may or may not know some of these stats, but they carry some 20,000 gift items; their menu items throughout the park and the various food and beverage items are some 300 items. Their staffing is 2,500 people. They have two parks; one is just north of Chicago and the other is just south of San Francisco. They have a large network of electronic terminals. These terminals are linked with minicomputers, which in turn are linked with a larger main frame computer. In the food areas, they chose terminals that were originally designed for high speed check-out environments. The terminals were then changed to fit a food environment, whereby with a depression of one key an item can be recorded, described, priced and all the necessary inventory and accounting records made, all a byproduct of pushing one key in the merchandise area.

There again, the operations are controlled by minicomputers. But in this case the point of sale terminals have on them what they term magic wands which can automatically read specially printed tags. The slide that is on the screen in black, white and green bar code can have encoded into that series of colors almost any information or unique number or piece of data that I wish. That information then is automatically read by something besides a fountain pen and automatically input into the Marriott system. Okay. The data collected from that is then read into the computer for processing. They then come back with all sorts of management inventory reports. Each of their parks uses over 150 terminals including the minicomputers and the main frame computers that I spoke of. At the end of the day the main frame then prepares inventory levels, reports, updates all the accounting and generates their complete general ledger system, again, tying back to cash control. In the merchandise areas, as an example, to know what I have and what I am selling, each of the items has a predetermined reorder form. And in their computer, they have loaded a system whereby when a particular item reaches a reorder point, a picking ticket is automatically generated. On that picking ticket is a preloaded recommended order size. Throughout the day, if they wish, they can input orders directly into the terminal and these are picked up by the computer at the end of the night. What I have doesn't do me any good, what I have to sell doesn't do me any good unless I have it in front of those people who are willing to buy it. Sitting in the warehouse doesn't help me. Having to carry it through the winter months, if I am in an area where I am going to shut down, doesn't help me. In fact, it costs me. Another important item that they have in the park includes also the ability to do transfers. They can move merchandise

around, still control it. They operate some 250 cost centers or profit centers, if you will. And to know what each of these centers has available to sell, to know what they have in inventory, to know if there has been any shrink, all of that, to us, is part of cash control. They even take their controls down to the point of automating the sign-in-sign-out procedure for time and attendance. As an employee signs in, his employee number and the time is automatically put on magnetic tape. That tape at night is fed into a computer for payroll updating.

A point that I would like to make here is that this is the type of information that is available to you and not just from one company. This is the type of report that you can work with, if you wish. This is a system financial report. A system financial report could be for a particular area of the park, it would be for a particular merchandise area. It could be for a food area. You make the determination. So don't try in your mind to isolate it to any given type of merchandise, but for an entire system. Now, you can work with figures that will give you gross sales, that will control all necessary voids, that will tell you what the taxable sales, your collected sales tax. Okay. It will tell you what the beginning bank in an area or the entire park, if they are all tied together, is; loans and pickups or amounts of money that have been given to a particular area during the operating day to increase their accountability; pickups are amounts of money that have been picked up from a particular area because there was too much money in that area and the possibility of theft, outside type theft, was too risky.

Okay. The system takes those into consideration, including cash sales and extending and ending bank, this type of report. I could show up at any site in the park and balance the particular location down to and including the safe. These types of reports are available to management. You don't have to wait until the end of a batch run, you only have to wait until the next morning. It's current, active information on which you can take some management type action. The number of charges that I have, the type of payment that those charges brought in, such as the various bank cards or American Express, the number of guests that I have served in that area, even down to and including the number of no-sales.

In the use of cash control as it involved individuals, I know from my years of experience with NCR where I have been involved with large locations, that there were floating cashiers or relief personnel. I have watched people go from register to register relieving someone who is on duty, and I have watched them subtotal the machine when the relief person went in and subtotal when the relief person left, and watched that same register for the same person in 8 or 10 or 15 locations and then at the end of that period, take all those figures, subtract one from the other, add them all together to try and come up with a cash account for relief people. That isn't necessary with the equipment that is available today, equipment which is an interactive system where point of sales terminals are interactive with very small computers. Okay. Not a minicomputer but a microcomputer. We now have 15-inch cubes the same price that it used to take for a computer that would fill half the size of this room to make available to you.

So now we have floating cashiers--that doesn't mean that they weigh less and they have trouble keeping their feet on the ground. It means that the accountability for a cashier is now contained in a microcomputer and as the person goes from area to area giving re-

lief, cashiering, the accountability of the person is kept in the microcomputer. Therefore, balancing and accounting for the cash and the credit cards is much easier.

Sales analysis is a byproduct of depressing one key. I can price an item, I can describe an item, I can keep track of how many were sold at what price for what dollar volume and what percent those items represented to everything that I was selling. That type of information before required large main frame computers, much more expensive than a lot of people were willing to pay.

Now, in the microcomputer, you have available that type of control. Activity reports in the areas of controlling expenses, and one of the expenses that is expected to be some 35 percent on an average by 1979, and that's payroll. Okay, to know what I am doing at what time, to know what my peak periods are, I can take snapshots every 15 minutes if I wish. I can see what my activity is in a given period of time in a given area, not just to know how many people are in the park, but what all those people in the park are doing. Are they buying, are they riding? If they are buying, where? I can know my customers per man hour, my sales per man hour, my labor in that area, labor costs in dollars because the labor cost is a percentage of sales. Okay. I can come up with the number of people I have working, the number of customers that have purchased and the number of items that they have purchased in a given period. So now I can start to schedule so that I have people there when I need them and I don't have them there when I don't need them.

In the areas of controlling inventory, I can--again as a by-product of ringing an item and collecting money, I can set in motion automatically inventory statuses. I have opening inventory, I have additions and receipts, I have transfers of a certain amount of waste. I have returned goods. But automatically I have figures coming back to me that tell me, here is what your inventory should be. Go ahead and do a physical inventory. I can get a physical inventory and put that into the system and the system will also tell me what variances I have or should have, according to the terminal information, X number of my physical inventory is less than that or more than that, the system would extend what the variance is, plus or minus; in the areas of food, where I buy in bulk, it will even calculate expected yields for me. Again in yield, and food is so important where I am trying to push up the per cap. Okay. I can do food costing again as a byproduct. All I need is a person who will press the hamburger key, and everything else will take place automatically. If I take something that is a three piece sesame bun, two hamburger patties and special sauce and the rest of the riddle, I can extend costs and percentages by every item within the entree. I can come up with an item cost percentage and actual item cost in dollars and extend all my margins and keep track of how many I have sold since day 1 of the season of whatever period, time frame I set.

Take a particular department, my period to date sales, as you see them, my sales revenue, in this case \$89,000, and my food costs \$41,000, my profit margin, 53.8, or \$48,121.00. All this is a by-product of doing exactly what you are doing now, only doing it with a little different equipment. It's available to you. Now, if I can back up for just a second, if you want to talk about cash control and you want to talk about getting a reasonable return on a tremendous investment that is required on your part, this type of information, we believe is necessary to know whether or not this

is a lost leader that you have or is a money making area that you have, and if it isn't money making, that type of information, I think, would put you in control of those types of decisions.

This is the inventory stats. Here it takes into account the beginning, the transfers, any wastes, et cetera, and then calculates what's available for sale and will even tell me, as I spoke of Marriott's operation, will even tell me what I have to order and how many I should order. In the case of automating the time and attendance, you can again, as a byproduct, keep track of who, on that day, at what job codes, for what rates, and extend for the period then, who has worked for the period or what total hours, because now as I start to do my scheduling, I have a couple of days left in the period; I'm going to look carefully at who I schedule because of the overtime factor. I don't want to pay any more overtime than I absolutely have to.

We at NCR congratulate you. All the information that I have read, the history that I have known and the growth of the industry in the last 7 or 8 years is phenomenal. It's a tribute to the work that you do. We wish you much continued success in the future. Thank you very much.

(Applause.)

CHAIRMAN VAN VOORHIS: Thank you, Frank. Our next speaker is Dana Morgan. He will be speaking on the Benefits and Problems of Converting to an Automated Cash Control System. A graduate of California State Polytech University, he worked 3 years for Disneyland, first as an operations supervisor, then in food division and finally in engineering maintenance; worked 5 years for Arrow Development in shop supervision and product development, where his responsibility was to travel to many parks, conducting safety inspections. He joined the Santa Cruz Beach Boardwalk and for 4 years has been general manager.

MR. MORGAN: I'd like to start by explaining Santa Cruz Beach Boardwalk. The Boardwalk is California's finest seashore playland. We have a number of attractions including our Victorian Ballroom which has a beautiful lobby, large dance floor. We have a number of more traditional park attractions including a wooden coaster which was built in 1924. It is consistently rated as one of the top 10 in the country; a modern jet star coaster; a major log swim ride; and a beautiful mile long beach.

At this point I'd like to explain a little bit about what our admission policies are, to help to explain what I am going to talk about later. The boardwalk is an open park. We have a number of different gates where you can gain access to the park. We don't charge admission to the boardwalk as such. We collect individual ride tickets, with the ride prices ranging from 40¢ to 80¢, depending on the ride. We sell these ride tickets as individual strip tickets and also in two different denominations of discount books. We also offer a pay one price which we sell from the same booths. We use wrist bands and hand stamps to identify the pay one price purchasers. The particular ticket booth shown here is actually one of our old booths that used to be located throughout the park. These booths were equipped with traditional ticket issuing equipment for those three tickets and has storage in them for the individual books--you can see here. At that time, cash control was strictly a manual system. The cashier would take an inventory at the start of each shift, counting the wrist bands and

counting the various books that were stored in her booth. She would make entries on a sheet to reflect that, and at the end of her shift, again, count all inventory on hand, and then the cash control department could calculate her theoretical intake from those figures.

For 1978 we changed the system. We built new ticket booths including this walkers' revenge booth, and two booths like the one shown here, the main part of the walk. This allowed us to consolidate all our ticket sales into 4 locations. That in itself had a measure of cash control in it, in that now a dishonest cashier could easily be observed by an honest cashier working right next to her. With the old system, if you did have a dishonest cashier and she was all by herself, she had lots of time to work out whatever scheme she was going to use.

An important feature of these new booths is that they are equipped with ramps where a wheelchair can get into them, low counters where a handicapped girl can work directly from a wheel chair. We have employed handicapped people in a number of areas. I highly recommend them. We have had really excellent luck with handicapped people, particularly cashiers. We equipped these new buildings with a new cash control system composed of an electronic cash control device, shown in the middle there, which is called a cashtronics built by Pacer Corporation. That's tied in with ticket issuing equipment. The ticket issuing equipment is keeper of both individual strip tickets and multiple issuing of tickets. At that time we changed our ticket books. We dropped the prebound books shown on the bottom of the screen and went strictly to a multiple issued ticket as shown at the top of the screen.

We had some problems with our old system. I like to call them unauthorized profit sharing on the part of our cashiers. Many of those problems resulted from our various discount programs, which we all have. A typical kind of thing that would happen to us, a cashier might accept one of these discount coupons from a family of four people, mark her tally sheet that there had been a total of 6 people in that group. She would then take the remaining two ticket books, sell them to a guest who paid full price. She could put the difference between the full price and the discount price in her own pocket and her cash would still balance. We had no way to detect that. We even had some cashiers that went so far as to create complete phony outings and make up an outing sheet, make up the name of a church group, fictitious name for the leader and the whole routine, go through maybe 40 books during the day at the full retail price, pocket the difference between that price and whatever discount that group would have qualified for, had it existed, and still have her cash balance perfectly. So you can see that we had some problems.

I mentioned earlier that we counted the ticket books at the start and at the finish of each shift. The books were pregrouped, as you can see here, in bundles of 25. We counted the number of bundles, multiplied, and then also counted the number of loose tickets. You may think that I made a mistake in having the same slide here. What I have done is to illustrate another problem that we had. This slide is slightly different. There's one ten dollar value book and one five dollar value book missing from this slide. What was happening, it took us a long time to catch on to this, we had some dishonest cashiers who would go into the storage compartment, find a bundle of tickets they were not going to use that day, and carefully pull one book from that bundle. Then they could sell that book at the full retail amount, put that money in

their pocket, and they would still balance beautifully; everything was wonderful. Perhaps three or four days later, an honest cashier would pull that bundle out, not realizing there was a problem, start in selling it. The following day she would get a shortage slip for the eight dollars or four-fifty, whatever the cash value of that book was. So we were actually giving shortage slips to the honest cashiers and missing the dishonest ones.

Let me explain how the new system works. We start in the morning; the cash control department comes down and programs each machine. They use a written sheet that the accounting department develops. And that's based on input from the group sales department, for what special events are going to occur that day. This is not as big a deal as it sounds like. It only takes about 10 minutes per machine to program the machines. When the cashier arrives on the scene, she opens the top of the machine, turns it on, punches in her individual code number, which is actually a time card number, and punches in the opening change which she starts with. Then she is ready to go. The simplest transaction is individual strip tickets. All that is required in that case is the cashier punches the appropriate button on the automatic ticket unit, the correct number of tickets are dispensed as shown here, and the cashtronic unit records the sale and displays the correct cost for both the guest and the cashier. In the case of a book sale, as we see here, the cashier merely pushes the appropriate book sale button on the ticket unit, the book is dispensed from strip tickets, actually, as you see in her hand there. And again the amounts are recorded on the cashtronic and display.

In the case of a pay-one-price purchase, the girl merely pushes a button on the cashtronic labelled P-0-P and the appropriate amount is displayed and the transaction takes place and it is all duly recorded.

Back to our discount programs. We now include on the discount cards what we call a CT number, which is merely a code number in the lower left hand corner. When the cashier is presented with one of these discount cards, she doesn't have to read all the fine print on it or understand every facet of that particular program for that day. All she has to know is that it is CT 21. She pushes button number 21, and the correct amount is displayed. In this case it was \$4.50. Again it is recorded on the tape. That display also is visible to the guest. It is visible both ways. The cashtronic unit is also capable of doing combinations of any of those things we talked about and adding up to give a total cost for that sale. At the end of the shift, the cashier merely pushes a total and the program then summarizes, gives a read out by each type of sale, by individual strip tickets, by books, whatever program we had that day, a total by each type and then a total of cash on hand, including the change which was punched in originally. As you can see, this makes the cash control room's very easy. They merely have to count the amount of money in the bag and it should match the total on the tape.

A VOICE: Did you go over credit card sales?

MR. MORGAN: I wasn't going to in the interest of time. I would like to go ahead now with some problems and benefits, which is really the title of my topic. Problems--the biggest single problem that we have was machine failures. We did have a fair amount of problems with the cashtronic units during the course of the season. But it has been traced back to an electro-mechanical prob-

lem of the Pacer Corporation, which we believe is now corrected. And we seem to be no longer having any particular problems that way. I should say also that Pacer was extremely good about working with us to keep us going during these problems.

The second problem is the business of power failures. Whenever we have power failure, we did lose the memory on the machine. That meant we had to go out and reprogram the machines in the event of a power failure. We were fortunate. We only had one power failure during the season, so it wasn't that big a problem. Another factor there is there was an optional system available with a battery pack that avoids that problem, which we did not elect to purchase.

Another disadvantage, ticket book transactions take a little bit longer. You wait until the machine punches them out instead of just picking the book up off the stack. That's particularly true of multiple book transactions. If somebody comes in and buys 10 books, it does take a little while to count those books out.

On the benefit side, probably the most tangible benefit was that we saved seven thousand dollars in the price of tickets in the course of a year because we no longer had to buy the most expensive prebound tickets. All our tickets were purchased as strip tickets, so that was seven thousand right off the top there.

The second benefit was reduction in the amount of skimming that we experienced. There's no way to put a dollar on it because we don't know how many dollars we were losing before, but we are convinced that there was a substantial amount of money being skimmed before that we were able to reduce.

Another important factor is that the guest becomes part of the cash control in that the guest is not about to pay more for that transaction than what they read on the cashtronic unit. With our old system, the guest didn't know what the girl was entering on her tally sheet, so there was no way for the guest to act as a cash control person for you. We found that training was actually reduced under the new system. It took a little bit longer to do the initial training but we found it very easy to go back during the day, if a girl had a problem, you could look right on the tape and you could tell directly from the tape what she had done wrong for a particular transaction, explain the mistake to her and she was able to go on from there. The girls have been able to train themselves by looking at the tape to see what kind of mistakes they have made.

We also found that it reduced tremendously the amount of time it took for us to stock the ticket booths with individual tickets. In the past, a cash control room also had to count all these ticket books every day; now, we merely keep enough counters for the strip tickets on hand, so it's greatly reduced. We found that it was much more difficult for con artists, short change artists, that type of person, to confuse the cashiers now because typically, they turn away from the booth and then turn back and say, "Well you have done such and such." Now, the girl merely opens the machine, looks right on the tape, and she can see precisely what she did, what the entire transaction was. During the past, sometimes a girl would get confused about exactly what she had done. It also makes it a great deal easier for the supervisor, if they get called into the picture on a situation like that. In the past when a supervisor arrived, they had really no idea what occurred. Now,

they can look at the tape and can also see what the transaction really involved. We also feel that this system protects our honest cashiers from the dishonest ones and from mistakes in the cash room. There's no question that no matter how good your cash room is, that they make mistakes there also. Now, we have a double system where the reconciliation is done against the ticket numbers and against the cashtronic tape, so we are reasonably certain that when both of those pieces don't match or agree, and the girl is short, that she is the one that, in fact, got the shortage. We also found it was a great deal easier to detect rehashing of tickets, the business of where one of your ride operators collects tickets, gives them to his girl friend, who is a cashier, and she sells them across the counter. Now, there's no reason for them to bring any loose tickets into the ticket booths at all. So it makes it a great deal more difficult for them to rehash tickets, which was a problem for us in the past. I think probably the greatest single benefit was that we didn't have to fire a single cashier for dishonesty. We have always had several of those a year we had to go through. You always felt a little uncertain about, you know, whether the girl was really dishonest or whether there was a mistake in your procedures or whatever. It was really reassuring to go all season without having a single problem like that.

In summary, I would say that although our system was nowhere as elaborate as Marriott's or some of the other systems, for a park our size--we do about 1.3 million people a year--this was a very workable system, a realistic system for us. Thank you very much.

(Applause.)

CHAIRMAN VAN VOORHIS: Thank you, Dana. Our next speaker comes from Blackpool Pleasure Beach, Wren-Hilton. He will discuss, "To Buy or Not to Buy, That is the Question." Wren, according to his personal resume, is a fellow of the Institute of Charter Accountants, which is similar to our CPA's in the United States; a fellow of the British Computer Society. At one time he worked for the National Cash Register Company. He's been with Blackpool since 1970 and currently has the position of corporate secretary or company secretary. At this time, Wren.

MR. WREN-HILTON: Good afternoon, Ladies and Gentlemen. Those words, "To Buy Or Not To Buy, That is the Question," were the words given to me by Bob Blundred and I think he thought of my bard in England. And for those of you here who are ardent followers of Shakespeare, he says something in the way of, "Whether is nobler in the mind to repair or renew the equipment, thus ravaged by new events or time/Or replace with major makers, such as Arrow of great fortune."

What I want to do very quickly is to take you on a summer tour through Blackpool Pleasure Beach while we examine this question as to whether to repair and to renew or whether to replace. Now, let's just consider the repairing problem first. Some people take a very good asset and unfortunately send it to a miserable watery grave. There's nothing wrong, ladies and gentlemen, in having something which is old. But like that Fiddler on the Roof, there's nothing wrong in having something new also. Your chairman didn't write to me saying that I should be rude, and I hope, Mr. Chairman, you will forgive me on this occasion because we had one ride which is the Sahara Maxim Flying Machine. It was built in 1904 and these things were never built to last. Earlier this year we had the first breakdown on it. The main drive for the whole equipment broke. And of

course we sent all around, all around the states, and nobody could repair it. I don't know whether you can see it well but it really is a magnificent thing.

Being serious for a moment, however, what I would like to say is this. There is no magic formula which I can offer you today, which is going to pull you all into a fast market leading position. What we have done over the many years, using data processing equipment at Blackpool Pleasure Beach, is to try to analyze what sort of money we have to spend in total, either on repairing that which was old and is worth retaining against buying new equipment. In total, between the two sums, we have to think in terms of about 34 percent per year of the revenue. For those of you who are using the quill pen techniques--nobody in the states does, but they do it in England, the old accounting techniques are quite wet. But even in the more modern concepts of accounting, what so often happens is that accountants think that by some form of standard costing, that this is the answer to all maidens' prayers. And how wrong they are. I can think of an occasion where one of our rides broke down, costing some 24,000 pounds to have repaired. I won't mention the name of that company. And on that occasion, you have not only a break-down variance but a cost variance and all sorts of other things. What we believe in doing is rather than moving in that field, is to have a general charge over the whole of the company's take. You see, it's rather frightful. I remember--Mr. Leon mentioned earlier that in two years' time, you will be paying at least 10 percent more in wages. Looking very roughly into the expansion of the rides and the value of money decreases, the value of money goes on as 8 percent, then in 20 years' time you are going to be having to pay out 2 times the cost of any new ride.

What we believe in doing is setting a percentage over the income for a year; then, having done that, we can view it in how we can allocate that 34 percent. I am going to come to that Mr. Chairman, in a few moments' time. Rides themselves can happily be, as far as we are concerned, broken down into a group. But before we think of rides, think that what's important is not the ride but the people who use it. These are the people who give us the income that we need. It's people rather than equipment. I'm never impressed by being told that a particular machine will take so many people per hour. If those people don't like it, it's no use saying we are under capacity. The people who come are the people that we need. It's when you see scenes like this one, with the queue lines going, then, and only then, do we start viewing whether we are running the capacity which the manufacturer claims. The important thing that we should all note is that every time you repair something, it is not merely putting the same machine or ride back as to where it was immediately before it required the repair. If you do this, you are not spending your money wisely. Repair must mean an upgrading of the system. I am going to take a classic example, not an amusement park. That is the one you see here, which is downright awful. This is just where repair was repair, and there was no question of putting something decent on it. Another part of that same country, England, managed to do something well and they are putting a nice roof on just to show that these things can be done.

Now, I spoke about the factors for what happens for these major accidents and disasters. If all of you are in the same sort of vein as ours, as we have, of the problems like fires we have, which are covered by insurance, but then there are the occasional

things where we just cannot plan ahead. That was the fire that was actually covered by fire insurance. But we do have floods once every 20 years. And it is certainly not worth putting out insurance. And, therefore, 1 percent of our total income each year is set aside for covering these rather special occasions. Mr. Chairman, in terms of the fact that all our rides can be broken down into about 6 groups, what we believe is the best policy is to do a portion, something in the order of 5 percent, for what we describe as the small rides. We then take 18 percent for the large rides and buying 2 large rides every 3 years--I hope I am not confusing with my mathematics here. By doing two rides every 3 years, you have a nice build-up of big rides, because it's the big rides which bring the big crowds. Now, right at the very bottom end of the smallest rides are the sort which quite frankly are best left to concessionaires to run. This is one of those old fashioned weigh scales. If things depreciate, it must be down to 1¢ by now. And we think that must be a pretty poor occupation, and yet that one old fashioned weighing machine has kept a family living with food and clothing, this one machine, for now three generations. It is surprising that this can be done. But it is on the smaller rides that we invest in, this is part of our 5% annual expenditure. I'd like you to look at that ride. You all probably have similar rides, yourself. What I believe here, Mr. Chairman, quite frankly--I would never physically go on that ride. The point is though that we are the arbiters of good taste in knowing how to buy rides. But we are fortunate in that our management, including myself, have young children and we get them to assess a ride rather than merely assuming that we know what children like. The younger people know what young people like--this, we believe, is a very fruitful policy.

This is another quite low priced device being built. I think you might see it tomorrow. It's very low priced, the raceway. Again, low priced, it doesn't cost much to install; it costs very little to operate, part of that 5% going on that. The point I wanted to make about that one, this is one ride which children do associate with as being a children's ride. It's filled to capacity. That one is a non-associated child's ride. Therefore, they tend to be fairly unoccupied by the public, themselves. The middle rides are rides like the Orbiter and the Astroliner. These are the type of devices which we are very happy for a concessionaire to come along and install and we are merely taking a percentage charge. These are good middle rides for the guests in the park who have been on major rides. It is the major rides where really we get the big pull of people. In Britain, unlike America, there are not so many amusement parks. And it is very important for us to see that the people who come to see something new virtually will.

These are typical of the ones that we have installed, the Goldmine built by Arrow of America, and also the Steeplechase, the first Steeplechase in Europe.

Also, Mr. Chairman, we believe there is much to be said for the multi-purpose capital unit. This building was erected really without us making certain as to what could be put in it. There were so many possibilities. In fact, for those of you who are car enthusiasts--I know that's many of you here--we decided to open an auto world. We didn't put in just one car. We got a whole crew of them. And you can see this is a popular thing for the public to flow through all of the time. Right at this moment, we have taken all the cars out for an autumn cleaning and we have

turned it into a skate park in that people are now skating in it.

Another building that is currently being converted from one ride device is a Journey to Another World, which is like a planetarium and can also be used as a laser room. And, of course, being a planetarium, you appreciate that it will be a place for education for school children in the winter. I would say, Mr. Chairman, that there are certain specialists rides which we always tend to recommend to leave to the specialists. If you have your old staff, these are people who will not be able to carry on the training year in and year out. We do believe--like this magnificent 14 1/2 inch gauge miniature railway, the real McCoy, the steam engine. These are the sorts that are best left to the specialists, themselves.

The building that many of you came to a few years ago for your conference in Blackpool, that is the building which we started cutting down and now we are rebuilding it to fit into a modern environment. We have built a new ride, the Wonderful World of Entertainment, similar to the Small, Small World in concept. Downstairs we have kitchens, again, feeding a large number of people, an exclusive restaurant and that we have turned around again because we realized from the figures that came from our computer that by building in rides and devices rather than replacing merely one kitchen with another more up-to-date kitchen was a better way in which to do it. I think that I opened with a complete misquote from Shakespeare. I think, Mr. Chairman, it might not be relevant to quote exactly as Shakespeare did write; although he was writing some years ago, the remarks he made was explicit to this convention. This, in fact, was from the same play, Hamlet. He said, "Be not too timid neither, but let your own discretion be your tutor. Suite the action to the word and the word to the action. With this special observance, that you overstep not the modesty of nature."

These were buildings, Mr. Chairman, that were put up in that proud idea of continuing this exercise. "Now, this overdone, though it make the unskillful laugh, it makes the judicious grieve." We'd like to think that Blackpool Pleasure Beach will continue by this program, in having this sort of concept where we are not just the keepers of the park but we are custodians of something which has to go on for generation to generation. And I think that the interest that people have in knowing how to spend their money, evidenced here by all of you today, is proof that you also want to make your park a place which the world will be proud to see. Thank you for your time.

(Applause.)

CHAIRMAN VAN VOORHIS: In order that we have an adequate question and answer period, we are going to hurry right along. Our next speaker is Jim Patten of Shaheen's Fun Park. Jim was graduated from Babson College. In the past, he has been president of the Greater Newbury Chamber of Commerce, president of the New England Association of Amusement Parks and Beaches, director of Essex County Tourist Counsel of Massachusetts. He is currently a director of the IAAPA and general manager of Shaheen's Fun Park. Jim.

MR. PATTEN: Since I am here representing a small amusement park, I figure a small talk will be appropriate. This won't take too long. In the operation of Shaheen's Fun Park, cash control procedures all have the same basis. Every day we are open, each unit

operator is issued a starting bank. The amount is recorded in the office and at the operating location. Any additional funds delivered to the unit are also recorded twice: as it leaves the office and when received by the operator. This double record keeping eliminates problems of so-called lost or misplaced funds because you know the amount, the time, who delivered, what and where it was delivered. Excess cash at the operating locations is picked up frequently, always by top management personnel escorted by a uniformed police officer. The excess cash is not counted at the operating locations. The money is placed in a marked expanding file and delivered to the cashier. The cash is counted and recorded by the cashier in the office only. At closing, all funds are placed in the unit's cash container and handed in to the cashier's office. Unit operators do not count the cash.

In our ticket booths, control is maintained first of all by using trustworthy cashiers, metered ticket issuing machines and a counter check by using universal numbered tickets. Cash taken in, tickets sold--tickets relating to the rides are balanced and checked daily; at the rides themselves, our policies are tickets only, no cash accepted by operators, no re-rides. Everyone must exit at the end of the ride and go to the entrance if they want to ride again. No refunds will be given by any operator. Refunds will be given by office staff only. Tickets are to be deposited in the ticket box prior to starting the ride. Important to us, very important, no tickets are to be in any employee's possession for any reason at any time.

Constant surveillance by supervisors and management assures compliance with these policies by all employees.

Our group games such as your Greyhound are metered. The meters are activated by the operator as the customer pays. These meters record the number of players and the number of games each day. The operator on these games starts his day's business with an opening bank which he uses to make change. But cash collected from customers can be verified by utilizing the figures from these meters. Other group games utilize a hinged tip board which is a lay-down board where a customer places money at the start of the game. When the game is over, the board is tipped by the operator, the cash dropped into a locked container out of reach of all persons. In this method the opening bank and cash turned in should be equal. All income is locked in secured containers. The disadvantage of the procedure is that as the game is being resupplied with coin, this additional coin is recorded twice, once when it leaves the office and secondly when the operator receives it.

Individual games are set up, utilizing cash registers, always in full view, but not within reach of the public. If cash is not handled properly here, the public, your customers, will often report it to the office. All meters and registers are read and recorded daily. The readings are taken by management only. The same readings can be used to verify the cashiers. Overages and shortages are listed daily. Any discrepancies are reported to the immediate supervisors who must do whatever is necessary to correct the situation and prevent any further problems. There are many sophisticated and some complicated devices and gadgets available that claim they will prevent theft or loss of cash. Before going into an elaborate electronic and mechanical cash control system, you should study it very seriously. You can be sure your employees will. Does it work in your operation? Is it fast and simple to operate or does it slow down your operation, causing you to lose

income? Sometimes if your control devices and procedures are not properly planned, they can actually hinder rather than help your financial position. Bells, buzzers, lights, lock boxes, registers and other devices are only a part of a good cash control system. They do not function alone. The key to cash control procedures is responsible employees and supervisors. Employees must be carefully screened prior to employment. They then must be trained for the job to be performed. If they will be handling cash, teach them how to handle cash. Never assume everyone can count out change. You'll be surprised which ones can't. Teach your employees how you want change made; speed, efficiency and correctness are important. After all, at this point, your employees are controlling your cash; while your cash is being handled by unit operators on location, employee supervision is your most effective cash control. There is no mechanical device that can supersede the use of competent experienced supervisors and honest, well trained employees.

(Applause.)

CHAIRMAN VAN VOORHIS: Right, Jim. You were quick. Our next speaker is Marty Kogan, vice president of National Dynamics of Atlanta. National Dynamics is a computer services company and a division of United Metals, Inc. Mr. Kogan has degrees from Georgia Tech and the Wharton School of Finance. In previous business experience, he worked for Harper Industries and IBM as a systems engineer. Marty--

MR. KOGAN: When you have been sitting this long, you will appreciate a short presentation. The company that we run in Atlanta is probably familiar in the industry in that we provide computer services for those companies who choose not to have in-house equipment and yet still want to use the benefits of data processing. Our particular real expertise is payroll, thus the reason for my inclusion on this agenda and the fact that we are here to talk about cash control and how it relates to payroll cost or vice versa. As Frank mentioned earlier, by 1979 labor is anticipated to amount to some 35% of your industry's costs and are going to range all over the place from 10 to 40 percent. Yet this particular facet of your expense item is probably the most sensitive element to management control of any facet of expenses that you have. You cannot directly influence debt service through daily management. That's a fixed that you will live with no matter what. But yet labor cost is something that is literally spent daily and is literally under your control. For example, if you were to obtain a 10% improvement in your labor expense, you are talking about a 3 1/2 percent in your pretax profit, which is a number that I'll take anytime. As a matter of fact, in our business and our industry, labor costs, even though we are a heavy technological industry with a large capital investment of equipment, labor still counts for over 50 percent of the data processing budget in all industries and even more so in our industry. I was interested to hear the comment that Frank made about the projections of the 10 percent increase in annual labor expense because that's true whether you are in the amusement business or the computer making business, the computer servicing business. We have taken the attitude in our company that we are going to have enough improvements in labor efficiencies every year to at least offset this 10 percent increase in costs. It's a very formal policy that we adopt every year that every one of our managers is aware of and is the goal of all people in the company. We make a very hard nosed statement; we say, "If you want increases in your employees' paycheck, then you have to figure out how to make them more productive because we have to hold the line

on labor." And this kind of attitude does not require going to the bank to borrow more money, does not require buying any extra equipment, being a 5% category or a 39% category, of large rides and small rides. We are talking about the management philosophy that says that we are going to control this very volatile expense called labor. We are going to do it because we are going to make our department managers very sensitive to the fact that their daily decisions directly affect the expense of labor and directly affect the kind of profit that we derive from this business.

There are key indicators as to how to rank--in our business, for example, for keypunch operators, we talk about key strokes per hour. For computer programs, we talk about the number of lines available to program in a given hour or a given week. Everybody has statistics. When I was with Harper Industries, we were in the power business, and everything was done on a piece rate basis. And every day we had a managers' meeting at ten o'clock for the prior day's performance review where we provided the coffee and we provided the grief and the managers analyzed each other and analyzed each other's performance as a daily review, because in the piece rate business you talk about what percentage of your cost was below the standard. From what I can gather in the amusement business everything is keyed to attendance. The key item that your management people have to gear to is attendance. Now, the closest thing I can relate it to in an area that we are involved--and I'm giving you an outsider's perspective because I'm not in the amusement park business, but I am in the business of controlling labor costs--is the construction area, where a lot of people are continually building on jobs around in various areas, where there are staffs that have to go to various sites, depending upon what machine shows up where or what subcontractor does or does not show--a very dynamic environment, dealing in much the same manner that you have in a park. The things that these people do, the things that we recommend, the things that we see that people are capable of doing, and this is true, whether you are talking about a pencil or you are talking about an in-house computer that's very expensive or very cheap, whether you are talking about using the service, these concepts apply, regardless of the means by which they are affected. You have got to plan what your labor is going to be, based upon your estimate of attendance. You have got to review this during the day. I can relate back to construction a lot easier than I can amusement parks--they have reviews during the day in much the same way that you can get counts out of your gates. You can analyze how you stand during the day in terms of projected attendance. And then your managers have to be trained and you have to have a formal program that drills in the concept of training. Once you establish this in your people's minds, you then have a situation where you either transfer people out of the department, where you use floaters in a different area. If your attendance is up higher than you anticipated, you pull floaters out or you leave the nondirect traffic oriented projects until tomorrow where the floaters can pick them up. But you make every manager have as his goal the idea of minimizing his ratio of attendance to labor hours, because if you have your managers working on that basis, then you have the key ingredient engraved in their heads for improving your personal labor cost. This is the way we work our very own company because we are very labor sensitive. And this is how we advise our clients. In fact, when we sell a payroll service, we are really not selling a service or providing a paycheck or producing the establishment of an employee understanding what had been paid, although all those things are important. What we are really saying to our clients is that using the compu-

ter, in our case, as the tool to provide the management of the company with the tools to evaluate this very, very important aspect of their expenses, that is, labor--in most businesses, it's well over 50 percent of their cost. This is an interesting business in that labor is not yet that high, but it will get there. As it gets there, it is going to become more important. We actually produce many reports for clients on a weekly basis. In this kind of business we can't get a daily, so they have to have it weekly, analyzing labor by day, Monday, Tuesday, Wednesday, Thursday, Friday, if necessary, Saturday, Sunday, even by shift. Many computer systems are available today, both in terms of the service aspect or in terms of in-house equipment, where you can get what they call custom report write-in capabilities which allow you to track your departments in a very inexpensive manner, to track these ratios of attendance to manhours worked, because the key thing, in order to make this inbred into your department managers' heads, is to give them a weekly report card. I talked to several people standing around here and on the phone in preparing for this. And I think it was universal in the discussions that labor planning is on a weekly basis. If it can't be done daily, it certainly should be done weekly with reporting of labor on a daily basis because we have many clients for whom we give them daily reports, once a week; but it shows them what happened last Monday, last Tuesday, last Wednesday, last Thursday, et cetera. So that if you take it up too long on a biweekly or semimonthly type basis, your managers talk about the fact that this is ancient history, things are different now. This machine is fixed now, or so and so was out sick and I doubled out, but it was so long ago, it's no longer germane. Maintain it on at least a weekly basis, if not more frequently.

The main thing I would like to leave you with is that to improve cash flow by looking at your control, cutting your labor costs through just a management commitment, to your department managers as a group effort of tying in labor hours to attendance. It can be done no matter what size organization you have, no matter what your philosophy is, no matter what size rides you have, no matter what anything else you have. It's the universal approach that can be applied regardless of how you handle your accounting; be it the most mundane manual piece of paper system on the back of an envelope or the most sophisticated computers in the world. People still manage for people and people still control these costs by setting up a program and by building into the program the proper report card process, whereby people get back information which tells them how well they have done. You can have, with no capital purchase required, an increase of 3 1/2 or 4 percent on your pre-tax profit, and that's a pretty good return on your investment. And if I can leave you with that message, I think I have done my job. Thank you.

(Applause.)

CHAIRMAN VAN VOORHIS: We will get into the questions. There will be cassette tapes available of this workshop.

A VOICE: I'd like to throw a question at Dana. How does his new equipment work with credit card sales?

MR. MORGAN: Basically the cashtronic unit doesn't differentiate on the credit card sale. The transaction is rung up as though a cash sale. The credit card slip is filled out then. The tag is put in the cash bag and it is counted as cash during the reconciliation. So there is no separate record on the cashtronic. I think

that capability could be built into the system if you wanted it. But it is not important to us.

A VOICE: Dana, did you prenumber your armbands?

MR. MORGAN: No, we don't prenumber them but we count them and issue them to the cashier in groups of 100. But they are not numbered. We have a string, and there's no way to number the string.

A VOICE: Does he cash fifty dollar bills and hundred dollar bills?

MR. MORGAN: We take up to fifty at the cashiers' booths. Anything over fifty, they are asked to go to our main office and we do it there. We have the same with travellers' checks, anything up to fifty with the girls. A few years ago, we used to hold it to twenty, but it has gotten now to where twenty dollars doesn't go very far.

A VOICE: If the person that is buying the ticket wants to buy the strip, how do you get the four tickets if the lady already punched out of the guy back into the machine? How do you do that?

MR. MORGAN: I'll repeat the question. What happens if the cashier punches out, say, strip tickets--and this does happen--let's say, the person comes into the ticket booth, says they want two tickets to the Jet Star. The girl punches those tickets out. In the meantime, they get to talking and decide they want to buy a ticket book, so now you are stuck with tickets on the counter that nobody wants. She paper-clips those tickets and puts them in a cash bag, has void tickets, then goes ahead and punches out the next transaction. After they leave, she opens the machine and just quickly circles the original transaction, and writes "void" on it. At the end of the day, her cash bag might contain cash, credit card slips and unused or unissued tickets. So the reconciliation is done by backing out first the unused ticket and backing out the charge slips.

A VOICE: When the tickets come out, do they come out individually or do they come out in one large--

MR. MORGAN: They come out in groups of 5. The machine will kind of go klump out there and drops one and then the next one comes up. So it takes a minute to crank them out, but this is a ten dollar value, but what you end up with is a hand full of tickets like this in strips of five--

I have a question for Jim. How do you screen very carefully your people that you let handle cash?

MR. PATTEN: Well, this is done with interviews prior to employment. We are a small community. Quite often we know about all the kids who work for us. Oftentimes you don't know them at all. So you go from one position to another. We don't start them right off as a cashier.

A VOICE: What do you all do as far as your cash control versus inventory control on food and merchandise? Is there a time that you give the director the next day or that night of his cash counts so that he can compare against inventory control?

CHAIRMAN VAN VOORHIS: Jim bypasses and Dana says his operation is on a concessionaire situation. At Geauga Lake, we do maintain

inventory control, perpetual system. Inventories are physically taken at the beginning of the season more often than later in the season because of time limits, because by then, we've got people pretty well situated on what's going on. But we do take inventories, back out the cost of sales relating to cash and work our ratios, often on a weekly basis on our food stands. Our game stands are concession. They also work a very tight control in that area. It does seem to be an effective overall approach. You are still not going to, unless you isolate individuals that are responsible for the cash drawer as opposed to everybody in the food stand punching up sales, you won't be able to find someone who is getting to you--

A VOICE: How do you control it daily, so that you know about your games--

CHAIRMAN VAN VOORHIS: You have to take your inventory daily but it is done on an exception basis. If all of a sudden the concessionaire starts writing out 37 percent merchandise and it should be running 22 percent, he starts taking his inventory on a daily basis as opposed to a weekly or biweekly situation. It's almost mandatory at that point. Any other questions?

A VOICE: How do some of the operators handle shortages in the cash drawer, in their aprons?

MR. PATTEN: A very difficult question because of so many circumstances that can be involved here. If it's a one time shot, we do not hold the employee responsible for it. If it happens a second time, somebody is going to be in trouble. Third time, they are gone.

MR. MORGAN: In our case, it depends entirely on the circumstances, primarily the size of the shortage. We create a shortage slip for any shortage over two dollars. The girl will receive that the following day--actually goes to the supervisor and he discusses it with the cashier. If it were more than that say, ten dollars, then we would start taking a real hard look at what happened. If we had it repeated, a termination would be in order. But we have had much less trouble since we've had the new system. The temptation is so much reduced, I think.

A VOICE: Can the NCR system apply to a smaller park that is already established?

MR. LEON: First part of the question, yes, it could be applied to a smaller park. The new computer systems are in many cases less expensive than free standing register terminals that were being sold and purchased in the past. In the case of when it is applicable, I would say that would be pretty much the same as it was in the past. There's no rule of thumb in terms of you have to have this much volume before you can justify putting in a cash register or terminal control. In terms of investment on a per terminal basis, your investment would be about the same as it was on previous free standings.

A VOICE: Do you know of any point of purchase, CRT's, that will go on line with 70-34 or the new IBM 38?

MR. LEON: 34. No, if I knew, I would tell you, honest to God, because we do communication, IBM communication, from our devices to theirs. We emulate some of their devices--

A VOICE: Do you define your microcomputer as the 250?

MR. LEON: No, it's a 2160.

A VOICE: 2160, what does that tie to?

MR. LEON: It ties to a 3250, microcomputer.

A VOICE: Would you say those numbers again?

MR. LEON: Okay. 2160 is the terminal, has a 5N-CRT and integrates, interacts with a 3250.

A VOICE: Dana, on, say, a typical 8 hour shift, what would be the dollar volume on one of your outlets? How does that compare with what you had before you went to this system?

MR. MORGAN: There has been no particular change in dollar volume. I think that's a function, more of marketing and other things than it is cash control. I'm just trying to think for a minute, to give you an accurate number there. We are probably talking in the range of about two thousand, something like that. Again, I don't really have that figure on the tip of my tongue. I'll have to look that up. It would be somewhere in that range, I think.

A VOICE: Talking about games, say, bottle toss, where you pitch quarters, what kind of cash control do you have?

MR. PATTEN: A little tough. Bottle toss--probably a cash register. I dislike working out of aprons. With the register, at least, you can see it going in, you know. You keep an eye on it. As far as the pitch game, when the board or the floor is cleaned off, it is pushed into a locked container where they can't get their hands on it. At the end of the night, the manager will go in and clean it out. Constantly any excess bills or cash is picked up and removed; eliminates some thoughts and ideas some people might have.

CHAIRMAN VAN VOORHIS: In addition to that, this summer I experimented with a dime pitch. Not only did we have the impress banks that would give individual cashiers--and say, they use two thousand dollars worth at a given day, sometime during the day we would drag money out of, where they couldn't reach it. And we also weighed it. There happened to be a weight scale right close. We weighed the money, and this was an added protection for a concessionaire. He kept track of the weight slip. If his weight didn't have a correlation, in other words, a pound of dimes is equal to twenty dollars approximately, then he knew something was going on in the accounting department or cash control area. So he had also a check to help him out.

A VOICE: Frank, I'm curious. Is there any special system for pricing with that computer coded tag that you have to use to insure the proper code is on the proper item; and if so, is there additional equipment, what type of expenses?

MR. LEON: That was a lot of question.

A VOICE: Well, each item, as I understood your system, had a code, inventory code on the tag?

MR. LEON: Yes.

A VOICE: How do you insure that the proper code is on the proper item and what prints out these coded tickets, and is that more expensive than just the old, more or less, hand price tags, stick-on?

MR. LEON: There are various methods of coding. You have punch tickets; there are hand held readers for reading punch tickets. You have black and white bar codes. These require a special printer, printer head. The one that you saw there is a color bar code that we had developed, that requires a special printer. The readers, by and large, there's OCRA font, which is readable by hand held readers. The readers will run somewhere between a thousand and fifteen hundred dollars. The printers, in some cases, the print heads, which aren't that expensive, take rather expensive high speed printers which can run as high as ten thousand dollars. Are they more expensive than the old Monarch, for lack of another brand that I can think of, markers? Yes, they are. The advantage is the accuracy, okay? The cost justification decision that I think you have to go through is how much the accuracy is worth to you. If I am going to keep track of merchandise from a class code or SKU stop keeping unit code, how much accuracy do I want, because if I have garbage input in my data, I'm going to have garbage output in my results, okay? So now, if I am going to SKU and I am going to 7 or 8 digits so I can start picking up size, style, color, maybe--source, automatic input becomes that much more important. And therefore as the importance actually goes up, so does then the cost justification. OCRA seems to be probably that that would be most cost justified; they are usually a little more expensive, but printing mechanisms are less expensive. My colleague asked about ticket switching. There again, you get back to various types of tickets. Some are ripped that once you remove a ticket from a particular item, it pretty much self-destructs, pretty difficult to get it off that one piece and transfer it to another piece. That is a constant problem, putting a small price tag on a heavy price tag item. So it is in the ticket design that you protect through the type of attachment that you use. But I personally have not seen one that I would put much faith in, including those little plastic snap tags that are supposedly nonremovable.

A VOICE: Dana, what does your ticket system cost?

MR. MORGAN: I don't have a breakdown. We spent a little over seventy-thousand on the complete system of the entire park. That was the cash control, the cashtronic unit and the ticket issuing equipment because we went to totally new ticket issuing equipment. As far as individual prices, I think cashtronic or Pacer has a display on the showroom floor. You can talk to them.

A VOICE: I was wondering if any of you are familiar with poly-graph tests or lie detector tests? Do you use--

CHAIRMAN VAN VOORHIS: I know we don't.

MR. PATTEN: On our employment application, we have on the backside a list of rules and regulations they agree to. This is listed on the application, but we have not used it yet. But they sign away --it's available. We can use it if we desire.

CHARIMAN VAN VOORHIS: If there are no other questions, the workshop is adjourned. Thank you.

... The workshop was concluded at 5 p.m. ...

UNIFORMS WORKSHOP

TUESDAY, NOVEMBER 14, 1978

FAYETTE, NEWTON, ROCKDALE & FORSYTHE ROOMS

The Uniforms Workshop convened at 8 p.m., Gerald Teldon, Angelica Uniform Group Inc., St. Louis, MO, presiding.

CHAIRMAN TELDON: We want to welcome you to our seminar. We have a very interesting group of panelists who were kind enough to give of their time and energy. We also want to thank their manager for giving us the time of these experts to bring you the benefit of their years of experience. Our panel consists of Virgie Groover, wardrobe manager of Enchanted Forest, Chesterton, Indiana; Al Hollins, the wardrobe director of Kings Dominion, Doswell, Virginia; Gasper Lococo, executive vice president, Geauga Lake Park, Aurora, Ohio; and Sonia Ramirez, designer for the Angelica Uniform Group, St. Louis, Missouri.

A little bit later on, we are going to ask the employees of Six Flags Over Georgia to model some attractive uniforms and possibly get them to discuss their garments from the employees' point of view. I think that might be very interesting. We are indebted to Errol McKoy and Wilma Ashcraft of Six Flags for their portion of this program. I'm Gerald Teldon. I'm with the Angelica Uniform Group out of St. Louis, Missouri. Some time ago, as I became more involved with park, theme and non-theme, I became acutely aware of what was happening within the market place. The theme parks were becoming more aware of the importance of attractively uniformed personnel. One of the factors I found to be very evident was the variations of appearance of the personnel within a theme and the older established parks.

Many parks are taking a very critical look at themselves and how they may be appearing to their customers as well as the reaction of the park employees to their own appearance. The apparent need to upgrade the park and the employees is an important step in changing the park image and raising the level of employee morale. Parks increased their consideration of the additional aspects of imagery and gradually they became aware and concerned with the aspect of the problem, as this interest spread throughout the country, in the industry, your organization felt the need of a workshop to give all the members an opportunity to review this important subject for more points of the wardrobe requirements.

This should be what we call a nuts and bolts session. The only way to be beneficial is if there is an interchange of information. We want you to raise questions, and hopefully our panel members can assist you in giving some of the answers. I have a funny feeling there are many, seated in the audience, that have a lot of the answers that they can give to some of the questions, aside from the panelists. We would like to have as many of you contribute whatever you can to this workshop. There's no answers to all of the questions. By raising your questions and openly discussing them and the various possibilities of solving the problem, based on all of our experience, we can all come out of the workshop with a little bit better understanding as to what we are trying to do.

Each speaker basically is going to present a short prepared talk related to a specific portion of the subject. After the panel

has finished, we will open the floor to questions. Our first speaker tonight is Virgie Groover. Virgie right now is the personnel manager at Enchanted Forest, Chesterton, Indiana. She has worked with wardrobes for four years. She really knows the park business. She has been with Enchanted Forest for 8 years and she brings a great deal of experience and expertise to our subject. Virgie.

MS. GROOVER: Thank you, Mr. Teldon. Hello, everybody. Sure glad to be here. My name is Virgie Groover. I am at Enchanted Forest Amusement Park in Chesterton, Indiana. We are a medium sized park. We cater to the family with picnics and very successfully, I think. We started with uniforms in '75. We've finished 4 years now with them, have been very successful. We have very little trouble with them. They have held up very well.

The first thing I'd like to explain is the base of our operations. We have an outer office for the clock room in itself, time cards, the schedules, two desks and a rack to put the uniforms on. Every employee must come to this room to clock in, go to work, to find out what his schedule is. When we hire a new employee we fit him with a uniform. We always tell him, "We do not charge you for uniforms. You don't have to put a deposit on it. You don't have to launder them. It is your responsibility to get it back in here after work every day." We launder the garment for them. We take care of it. He does not take it home. In this way, we haven't lost one uniform in four years.

Okay. We give each employee a uniform number, which we mark on a label with a laundry marker. We put that number beside his name on a check-out list. When he comes to work, he asks for his uniform number. We go to the rack and take it off, give it to him. He goes and gets his time card, punches in and goes to work. We check him off at the personnel table that that operator is here or that worker is here and he is on the job. When he comes off work, he comes in the same room, tells the girl at the desk, I'm number so and so. She checks him as being in with a uniform. He goes and checks out on his time card, checks his schedule, when he works next, and he goes home. That's the way we control them.

After we collect the dirty and soiled uniforms at the end of the day, they are carted up to our laundry room. We have a heavy duty washer and dryer on the premises, and we have a lady that does the laundry there. We buy our detergents, our degreasers, from our suppliers, which makes it wholesale. She does the laundry and the girl who checks the uniforms in makes sure she gets the laundry to do. After the laundry is done, the uniforms are brought back to the office ready for the next day. That's the way we handle it. And it's worked very well. If we have any repairs, we have a lady who works at the ticket office who loves to do repair work. In fact, she is one of our older employees. We call her "Grandma," and she does all the mending for us. She is a very lovable lady.

In the fall, when we store the uniforms, I always go through them and check them for any mending that has been overlooked. And that's done in the winter and taken care of. Through the summer, anything that comes up "Grandma" handles it for us for storage in the fall. I have been doing that, and all I do is just take a clear garbage liner, put about 15 uniforms together, bring the bag up over them, tie them at the top and they are stored on the racks, ready to go the next spring, which makes it very easy. You are not moving them from here to there. Whatever extra I have, I put 12

in a clear package, put them on the shelves, mark them what they are. They are easy to inventory. As you need them, you can go right to them. In a day's time you can store them and get them ready for the fall.

When we started out, the total cost of uniforms probably was about ten to twelve thousand, and they have lasted for four years. And the way they are going, they are going to last quite a few more years. We've been very happy. I think the employees take a better look at themselves and come a little neater when they have uniforms on.

We have smocks for the gals in the office or gals in the gift shop, the white uniforms for everybody who handles food. We have short jackets for the boys who are on the rides or in the games, and we have blouses for the girls who are on the games. If the person has more than one kind of job, where they need more than one kind of uniform, we just give them the same number, keep all--her number or his number the same, regardless of what uniform they wear. If he is going to be on a different job, he'll say, "I need a cook outfit," or "I need a ride operator." They tell you.

We have concessionaires in the park. They hire their own people. When they hire, they bring him into the uniform department, "This is so and so, and he needs a uniform." We treat them the same, give them a number and they come to work. They have to come into the clock room and get their uniform and report to work and turn it in immediately. I'll be glad to answer any questions afterwards if you have them. Thank you.

CHAIRMAN TELDON: Thank you, Virgie. There are a lot of parks that basically have a lot of concessionaires. Evidently in Enchanted Forest, their feeling is everybody has to be uniformed and the concessionaires go along with that. The image has to do not only with the park personnel but any concessionaires involved in the park. Our next speaker is Al Hollins, who is the wardrobe director with Kings Dominion at Doswell, Virginia. He has a most interesting background. He is a graduate of the National Institute of Dry-Cleaning and Dying, which is now known as the International Fabric Institute. Al has had considerable experience in the field of garment maintenance, processing and distribution. For 24 years, he operated his own plant. When Kings Dominion started up about 5 years ago, he took on the wardrobe responsibility. Al is going to discuss the role of a wardrobe manager and the necessary link with operations in order to get the job done on time with a maximum of efficiency and a minimum of cost. Al Hollins.

MR. HOLLINS: On Interstate 90 about 20 miles north of Richmond, Virginia, you will find one of the largest, most beautiful and exciting theme parks in the country, Kings Dominion. We are very proud of our park from the fabulous International Street, to the fantastic shows, to the thrilling rides, to the delicious food, to the amazing Lion Country Safari. However, there is one area in which I take particular pride. And that is the young people we employ, their personal appearance and costumes. To me this part pulls all the efforts of the park together to make a striking and lasting impression on our patrons. How is it accomplished?

Let me tell you briefly something of our wardrob department at Kings Dominion. First of all, we have a strict dress and personal appearance code. We provide a fresh, clean costume for each employee each day. We costume over 2,200 seasonal employees. This

means in wardrobe we exchange some 1,400 costumes each day from a stock of ten thousand costumes. The park has 26 different outfits including those for rides, food service, merchandise, concession stands. This does not include, however, the many different costumes of live shows. The 30 employees in wardrobe process approximately one and a fourth tons of laundry and drycleaning each day. We have an operation capable of accomodating a city of 50,000 people. Our responsibilities, besides the actual processing, cleaning and distribution of the garments, include initial processing of all employees as well as handling termination, making wardrobe cards, name tags, assigning lockers, fitting and altering costumes, repairing of costumes, maintaining a running inventory of both stock as well as inventory of costumes assigned to personnel. We are also responsible for collecting for lost or destroyed costumes.

We in wardrobe play a part in the selection and purchase of new costumes. We have a designer who is at Kings Production in Cincinnati, near our sister park, Kings Island--the prime responsibility for the actual decision of what and how many to buy rests with the costume coordinator and wardrobe manager at Kings Dominion. I work very closely with the costume coordinator, have an input in the areas of quality of costume, quantity of costumes, and most important of all, in the selection of fabrics.

It is quite important that we select fabrics to use in the costumes that have good quality, that are durable, that will stand the sometimes rough and constant use that they will get. For instance, when costumes are used in food service, they will undoubtedly be subjected to food stains of all sorts. Fabrics to be used in these costumes must of necessity be able to withstand more severe cleaning than some of the others. And some costumes for live shows, where there is dancing, stretching and quick changing, fabrics which are flexible and have some give in them must be used. Costumes should be so designed as to make them easily altered. Wardrobe cooperates by testing fabrics for quality, durability and colorfastness, shrinkage and shape retention, advising the costume coordinator of which are the best choices. Food service, rides and other personnel in the park also have an input in the purchasing of costumes by advising the quantity, need, design and desire. The quantity is determined by the number of people expected in the area next year.

After all of us have had an opportunity to have input regarding the selection and purchasing new costumes, the costume coordinator and wardrobe manager makes the final decision and orders them. After the costumes are delivered to the park, wardrobe receives them and checks the order to see that it is correct, labels costume as to size, records them in the inventory and assumes complete responsibility thereafter for altering, assigning and the care of garments.

It is very important that more than one or two people are involved in the selection of the style and the fabric of the costumes. For instance, supervisors working in the park are sometimes in a better position to make recommendations than one who is not so closely working to the costumed employee. But because wardrobe does carry full responsibility of the costume, once it is in the park, the operating department should be willing to let the costume coordinator and the wardrobe manager, after considering all the input, make the final decision on style and fabric.

Around August of each year the costume coordinator and ward-

robe manager get together to consider an appropriate budget. The wardrobe manager, by virtue of his continual exposure to the costumes, is aware of the physical condition. With his knowledge, along with the use of an inventory book--he and the costume coordinator work out a suitable budget for new costumes and replacement. The suggested budget is then presented for approval. We feel we give our costumes good treatment and proper handling. We get good mileage from them. We have some costumes that have been used for 5 seasons, and they are still in very good condition, and we anticipate using them several more seasons.

At Kings Dominion, we purchase all our costumes outright. We know of no available source that we could rent the costumes we require. We could rent some maintenance and food service uniforms, but we have found we can buy and clean these garments cheaper than we can rent them. A local contractor will furnish clean pants and shirts daily for a dollar and twenty cents. I figure we can purchase our own uniforms and clean them for 37¢ a day.

There are three methods of handling cleaning of costumes. These are (1) issuing costumes to the employee and having him responsible for cleaning and repair; (2) have the costume and repair done by a commercial firm; (3) have facilities at the park and repair inhouse. I would like to review these methods. I cannot give you actual experience on the first two, having the employee responsible for the costume and having a commercial firm take care of them. But I do have some ideas as to the advantages and disadvantages of each.

Let's start with assigning the costumes to the employee and having them responsible for the cleanliness and upkeep. Less personnel can be used in wardrobe and there is less responsibility overall. However, in my opinion, these outweigh the fact that the costume would not have the longevity. We do have control of them during the operating season. For instance, consider the fact that the simplest costume must be used, one that will withstand virtually any kind of cleaning abuse. Suppose Johnny's mother uses Tide and hot water with no cool-down cycle. Billy's mother uses Ivory. James's mother liked a little bleach along with her detergent. You can readily see that with so many different methods of cleaning, the costume, within a few weeks, would range in color from light to dark or speckled.

White should be bleached. This is difficult to do at home on 65/35 fabric content. Also in a home laundry, it is very hard to remove grease and oil stains. There is no assurance that the costume, in fact, will be laundered each day. That's reflecting on the image of your park. This is what I mean by loss of control. Also, we have the problem of live shows and food service--towels, rags, flags, curtains, drapes, et cetera. However, this method of having the employee care for their own costume may be the cheapest. But in the long run, when you consider the shortened life of the costume, I just don't know.

I have contacted several parks which are smaller than Kings Dominion that use the system of letting the seasonal employees care for their costumes. I found out from one park, despite their not having to care for their seasonal employee's costumes, they still spend more in items that had to be contracted out to a commercial cleaner than we at Kings Dominion have budgeted for all our supplies and machinery maintenance and our cost accommodated the entire park.

In their operation, they had an inventory of three costumes per person. We only have two. The cost of this excess inventory would go a long way toward purchase of laundry and cleaning equipment. If we stocked 2,000 additional costumes, which would provide 3 for each employee, at an estimated minimum value of \$50.00, this would amount to a hundred thousand dollars. A very workable laundry and cleaning plant could be set up for less than this amount. Under this method, this park estimated an annual loss of costumes at 10 percent and replacement at 40 percent, making a total of loss and replacement each year at 50 percent. At Kings Dominion we estimate our loss at 5 percent and replacement at 5 percent, making a total of loss and replacement each year at 10 percent.

The second method of caring for costumes should be to have them contracted out to a commercial organization. This too would require an outlay of money and machinery and supplies. Yet it would require professional cleaning and more control. However, I expect it would be very difficult to find one company that could assume the additional business that a theme park would generate. Also, unless a supplemental system for cleaning inhouse is available, there would be no provisions for emergencies. For instance, at Kings Dominion, we are frequently called on to assist the patron in the park who has had an accident. If we can help a person by cleaning his clothes, after an accident, thus allowing him to return to the park for a day's enjoyment, rather than returning home, we have provided an invaluable service as far as park public relations are concerned. In reviewing the price for cleaning and laundering on today's market, I would think that the cost of having all the costumes sent out to be cleaned would be prohibitive. It is estimated that a wholesale price, laundering just a shirt and pants alone, would be 97¢. At 1,400 outfits a day, provided the costume only consists of pants and shirt, this would cost us a thousand, three hundred and fifty-eight dollars per day. My feeling is, if some company can make money on this, we can save money on it. Then too, the more remote the operation is from the park, the less control you have. Also, there are live shows to consider. Usually they are one of a kind and must be processed in between shows since there are no replacements. If these costumes are contracted out, it would be necessary to have two sets of each. At Kings Dominion, we have only one. We clean live shows at night after the park is closed, and have them for use the first thing the next morning.

The third method of processing and cleaning costumes is by in-house equipment and personnel. This is the way we handle things at Kings Dominion. And, of course, the method of which I am most knowledgeable, we provide more uniform cleaning than by any other method and have more control over the costumes. For instance, we can rotate our stock so that all will receive the same amount of wear and tear, rather than having an employee wear the same ones day in and day out. This is a benefit because some costumes may become accidentally torn or unusable; others from stock will fit right in and not stand out like a sore thumb as a new costume among old ones. Since cleaning is done on site, there is no turn around time involved as would be in transporting to another location. We also have the flexibility of choosing dry cleaning or laundry methods. Some items must be washed. However, we dry-clean everything we can because it has been proven that the life expectancy of dry cleaned fabric is three to four times greater than fabric cleaned by normal washing methods. As I pointed out previously, we also have the capability of providing services in

case of emergencies--besides our costumes and food service, we clean all flags, drapes, curtains and other sundry items in the park.

While this method of in-house cleaning requires the greatest outlay of money for equipment and supplies and space, I believe the cost will be equalized over a period of years. I estimate it costs us approximately 21¢ to dry-clean or wash any costume, regardless of the number of pieces. This figure includes workers, supervisor's salary, machinery maintenance, cleaning supplies, water and sewerage, electricity and gas, and building prorated over 25 years and machinery prorated over 15 years; a total of \$294.00 is estimated to clean 1,400 costumes daily at Kings Dominion.

To sum up, my conclusion, I would say, that the first method of allowing an employee to care for their own costume is possibly the cheapest, but it's the least controllable. The second method of having the costume professionally cleaned is the most expensive but removes much responsibility from the park. The third method of in-house cleaning is the most controlled and next to or possibly the cheapest. Of course, there can be some combinations of any or all of these methods. In my opinion, your choice of methods would be determined by how much emphasis you place on the image in your park which is set by the costumed employee. If a high standard of well kept, clean, well designed costume is what you seek, I firmly believe in-house processing is the answer because only with this method can adequate inventory and quality control be maintained.

I hope I have shed some light and brought some thought provoking ideas on the subjects I have discussed tonight. If I can offer additional information concerning our operation at Kings Dominion, I shall be glad to do so. Thank you.

(Applause.)

CHAIRMAN TELDON: Thank you, Al. Gasper Lococo is executive vice president of Geauga Lake Park in Aurora, Ohio. He began his career in parks in 1959, being associated with Cedar Point in Sandusky, Ohio. In 1969 he moved to Geauga Lake Park where he is now second in command and is responsible for a variety of duties, such as food and beverage, live entertainment, employees and wardrobe. Gasper brings to us a considerable record of accomplishments including viewing the role of wardrobe responsibility through the eyes of management. Gasper Lococo.

MR. LOCOCO: I suppose the first thing I'd better do is tell you where Aurora, Ohio is. Aurora is about 25 miles from Cleveland and about 20 miles from Akron.

We started out by ordering uniforms. Right now, in fact, our personnel director and wardrobe director are working on ordering uniforms and we have a goal, we always try to have our uniforms ordered by December 1st, and that gives us a little leeway, but no later than December 15th. I am talking about now strictly non-custom uniforms, what we call stock uniforms. The reason why we are starting now is we just closed. All our people know exactly what uniforms we have, what we have to replace. It's fresh in everybody's minds.

About 30 days after the park closes we start working with

people, we start working with distributors, we start working with retailers. We call our department heads in. We tell them, these are the samples. We get three or four samples for each department, and we let the department heads work with the wardrobe people. And within a week, we have our uniforms picked. Now, we only have to pick one set of uniforms a year each year. We work on a period of 4 years. We phase out one complete set. Like this current season, we will replace all our ride operator uniforms, boys and girls. So that means that the ride operator uniforms from last year will go to a department that won't need as many, because the ride operators are the biggest department we have in the park. So we take the good ones left, we hand them down to another department, and the ride operators this coming year will get new uniforms. Next year it may be food service, or the year after that it may be some other department.

We start out giving each employee two uniforms. Our uniforms are given out at our administrative building. We've got all our facilities in one building, administration building, our time clock rooms, our wardrobe rooms, our cash control, everything under one roof, so it's very convenient for us to do it that way. We also do another thing that I don't think very many people do. We have a charge for uniforms for the employees. What we do is, we give the boys brand new pants every year. In other words, when a boy comes in, regardless of what department he is in, he will get two brand new pairs of pants at the retail value of somewhere between 15 and 18 dollars a pair, so let's say, thirty dollars. That's our cost. If you had to go on the open market and buy that pair of pants at J. C. Penney's or somewhere like that, he might have to pay twenty dollars. We give the boys brand new pants for a cost of ten dollars for a pair of pants. Every year we start with all new trousers and we don't have to worry about the guy saying, "I don't want that pair."

When we order our uniforms, it's a pretty good easy system, because I think anyone that has to order uniforms, knows anybody in the retail business, goes to a retail store and gets his schedule. Almost everybody in the retail has a schedule of what sizes are popular sizes. So it's very simple. Say, 20, 30, 32, 34, 16, 18, 20--we try to stay in the small, medium, large and extra large for boys. We try to stay in the regular sizes for the girls. We have never had a problem of running out of uniforms because we stick primarily with about 90 percent of stock uniforms. There's a reason why we stick with stock uniforms. A, in July, when you are short on something and you need something in 24 hours, you can't always get it. We go about 80 percent in stock and about 20 percent in custom. But I like the stock because you never know, you think in January you know how many people you are going to have, and you have all your projections from the different departments. We always order extra. We never run out of average sizes. We always run out of petites or larges, so that's another reason that we like to stay with the stock uniform. You don't get the design, you don't get the beauty, but there's a lot of companies that make uniforms and there's a lot of nice stock uniforms on the market.

Our distribution is done by giving each employee two uniforms, a rain coat, socks, and in some departments, shoes. If they get involved where they have to have a special shoe, again, we give them that pair of shoes, again at our cost or below our cost. Our average cost of wardrobe runs us around thirty thousand dollars. We recap about ten thousand, so it runs us anywhere from fifteen to twenty thousand dollars a year for a wardrobe. That's around

800 employees. Not the bulk, but a good portion of it goes to our live show department where they have to have specialty uniforms and where they have to have two sets of uniforms, dancing uniforms, and so a good portion of that goes to that department. Also in our wardrobe budget is the cost of our characters in the park. Again we order three sets of our character uniforms and they are expensive. That's on a thirty thousand dollar budget, which in the long run, ends us around two thousand to fifteen, net.

If an employee uses a uniform, we charge them the regular retail price, not the price that we pay for it. We post a list. It's in our rules and regulations book. And then they go to quit or get fired or something happens, we charge them the retail price. If they don't turn it in, if they turn in the uniform and it is worn out through their negligence, we then charge them. If it is worn out from our negligence or grease or through the act of working, then we just replace it for them. We don't have too much of that problem. We do have a problem with home laundry, as you heard the fellow from Kings Dominion say. Our uniforms are done at each individual house. We haven't got a laundry. I project that we will have one in another year or two years. But at the present time, each person does their own. It is a costly proposition in the wear and tear but I don't think it runs much over 12 or 15 percent. It could run higher but I don't think it does.

As to the type of fabrics, I think you have to get wash and wear, when you are doing it at home. It's very simple. You can't get anything that's dry cleaned because again, everybody has their own way to wash it. We don't have that much problem because we do give them some rules and regulations on opening day or when they come to work and we suggest how they should care for them, how they should be laundered. If they have raincoats issued to them, we tell them, don't clean that. When they need cleaning, bring them in and we'll get it done by commercial cleaners. Upon quitting or at the end of the season, I think we have a very simple method. All uniforms have to come in on hangers, we insist. We've got that last pay check. You can get a lot done if you have their last check. And it also includes a bonus. So about 2 weeks or 3 weeks before the end of the season, in our newsletter, we start repeating and repeating and repeating that the uniforms must come in on hangers, be clean, be laundered. And our personnel people are held responsible. What we have done in the last couple of years is we tell the personnel and the wardrobe people that if they take in any uniforms that are not cleaned and ironed and pressed, they go out and iron and press them and they can pay for them. If you push it enough, you'll get 95 percent of them in. This helps us with storage and immediately put on a hanger or a rack and about 2 or 3 weeks after all the uniforms are in, with the exception of 15 or 20 that lag, we have them sized, we have them crated, we discard the old ones, the ones that weren't cleaned properly, we take to a commercial laundry, we get them laundered and by November 1, we are ready to order. In fact, we are now in the process of ordering for next year.

So it's just one big repeat job year after year. But I think it's very important that if you are going to get involved in ordering uniforms, that you have to get your orders in in January or early December, because if you are going to open in April, that only gives you 30 days or 60 days or 90 days. What we would like to do, is we would like to have our uniforms ordered and have them in-house by March 15th, so we can put our logos on them or whatever we have to do. That always gives us at least until April 1st,

gives us 10 or 15 days leeway. I think that about covers it all. If there are any questions immediately afterward, I will be happy to answer them for you.

CHAIRMAN TELDON: Thank you. Sonia Ramirez is a designer with Angelica Uniform Group in St. Louis; born and raised and educated in Chile; having worked as a fashion designer for many years, Sonia decided to direct her considerable talent to designing uniforms for all areas of industry, and she is very successful in designing those specifically for amusement parks. She is going to offer you the designer's viewpoint in the creation of park uniforms. Sonia.

MS. RAMIREZ: Good evening. Have you ever wondered what is involved in a design project? Many of you probably have. Designing for amusement parks is not only part of my job but it is also an enjoyment for myself. Many of you have already gone into custom clothes for individualized looks. Every project usually starts with talking to the people from operations and wardrobe. Talking to different departments is important, not only for us to do the job that we have to produce, but also for you to obtain the results that will satisfy everyone.

In order to do this, I have had to acquaint myself to the different areas of the parks. First, there is the park area and attractions, which is rides. Within the park, we find a variety of every theme such as Mexicans, Indians, Western, German, Spanish, Dutch. Also we find Safari and Kiddie Lands. Second, the various departments to consider are the parking lot and front gate, since they are the first and last image that the visitor has, on entering and leaving the park.

Rides follow with the different themes. And in designing for them, we should keep in mind the wear and tear of the garments, plus comfort for easy movement. Food service is also important. This is good for bright shades to blend with catsup, mustard and greasy spots on the grills. Some of them follow themes of the areas in which they are located. Others have a look of their own. Maintenance should be kept simple, attractive and comfortable for the line of work they do. Security, distinctive, visible and traditional.

Third is fabric selection. Samples should be sent to quality assurance for analysis and compliance for specific specifications, to be tested for wear and tear, color-fastness for daily laundry, shrinkage and weight of fabrics for the various climates.

Garments selected are also sent to the lab for commercial laundry or dry cleaning analysis. While I am on the subject of fabrics, let us look at types needed in some particular areas. This sometimes can be a problem because of availability, since most of them run by season and occasionally fabrics are discontinued even before the season is over. When this happens, it has to be made by a special order. In this case, we must be aware of the length of time the program will continue

In most cases the majority is requested by mail in large quantities, from 1,500 yards to 6,000 yards minimum, depending on the type of fabric. The time of production for the fabric is from 5 to 8 weeks or more. If the program is not large enough, we will have to look for replacements. So considering all this, on many occasions, we recommend available fabrics for some special design

areas.

Fourth, in small areas it is advisable to order from available stock and order some kind, like stripes, et cetera. The reason for this is small special designed means higher cost to you and to the manufacturer. It also reduces problems of--small replacement requirements.

Fifth, with all the information gathered, research for new costumes, ideas and fabrics start to take form into sketches or first presentation. Then we have selection of garments, until garments are finally approved and manufactured. Usually garments made are for junior sizes because of the personnel involved in parks. So care must be given to make certain that garments are fitted properly. This is only part of the process. So considering what is involved in a design project, we would like for you to keep in mind the amount of time involved from the initial interview until the final product is delivered, which could be 8 to 10 months, the time that I, the designer, need to do a good job; and you can have your delivery on time. But most important of all is to have happy customers. You and I working together, we will make our program a success. Thank you very much.

(Applause.)

CHAIRMAN TELDON: Thank you, Sonia. We mentioned that we are going to have 10 of the employees of Six Flags wearing some of the specially designed uniforms come and give you a look at something a little bit different for your park. This is Linda Kreeger from Six Flags. She is going to introduce the personnel as they come out.

MS. KREEGER: I am in design at Six Flags Over Georgia. Most of our uniforms are produced in-house. We do buy some from Angelica, but I believe 90 percent of what we have tonight is in-house. The first thing we have is a uniform that is being used in our crystal show. It's made out of 60/40 dacron-polyester. It's three piece. The shorts have tucks at the waist. The pants zip and have a button. They are not elastic at all. The next thing we have is a little shop called Watermelon Waterloo, where we sell watermelon slices. It also has an apron that goes with it. We don't have any of them finished yet. This is kind of an unplanned thing too. The apron has a watermelon silk screened on the front of it and it is navy blue to match the pants and hat.

The next one is a character jump suit. We have characters in the park that wear the animal costumes. They have to go out to a lot of places and represent the company, and they aren't always seen in costumes, so we designed this little jump suit for them to wear when they are not in an animal suit.

This is for our dolphin pool. It's a two piece polyester, just basic nautical theme. This one is from Angelica and is used in all our food service stands and all our rides in Cotton States area. This is one of our Spanish outfits. We have about 3 different Spanish outfits. Our spook house has a different outfit. This is basically used in merchandising and food service. The guys wear long pants. It's basically the same. That's polyester. The shirt is cotton. This is Hanson for the Hanson car rides. We tried to come up with an idea here where we could have what could normally be three or four pieces to dispense and combine it in a two piece outfit by sewing these suspenders down to the shirt.

This is our Tilt House uniform. Our Tilt House is based on a farm house type thing and we have electronically animated animals in it. It's also in our Kiddyland Spanish section. It was kind of a hard uniform to put out because it really didn't have an ethnic background.

This is our Gasp uniform. It has been for the last 3 or 4 years. Unfortunately, we are not using it again. This is our last year. I'm pretty upset about that, but the kids really feel foolish wearing it. We get a lot of complaints out of it. It's one of my favorites. It also has a black hat that accidentally got left at home somehow. It's a basic Gatsby type hat. This is our guest relations. Our guest relations girls are one of our only issued uniforms in the park for seasonal employees. They don't wear the jacket except when they choose. She is going to take it off and show you what it looks like without it. Is that everybody?

CHAIRMAN TELDON: Let's give them all a hand. We stand here and we talk about design and putting these young people in costume. I doubt if we ever think about what they think about what they are wearing. So how about letting them come up and tell you, do you feel comfortable in it; do you like what you are wearing; do you feel foolish; is it fun wearing it? I've got a lot of heads going either way. Let's start with the gentlemen here on the left and give us some feeling about how he feels about being in a costume that's a little bit different.

A VOICE: Well, this is my second year working at Six Flags. It really doesn't bother me about wearing the uniform. I enjoy working at Six Flags Over Georgia.

A VOICE: This is my first year at Six Flags. I don't really mind my uniform because everyone else is wearing them.

A VOICE: I work in the office. I don't wear it that much.

A VOICE: I also work in an office, but when I work out in the park, it's kind of fun, everybody being dressed alike; nobody laughs at you because you know, you are all in the boat together.

A VOICE: This is my first year here. It's not really that bad. Our uniforms are about the same except some of them fit differently.

A VOICE: This is my first year too. Uniforms are not that bad. It's just that sometimes you get snide remarks about them.

A VOICE: This is also my first year, my first time working in an amusement park. I like them.

A VOICE: I've been at Six Flags forever. Just as long as they fit okay, I like it.

A VOICE: This is my second year at Six Flags. When I first put on the uniform, I felt sort of out of place. But when I get around my friends with the same kind of uniform, I sort of get into it.

A VOICE: This is my second year at the park. I've gotten used to all the uniforms there. I have worn just about everyone of them. The one I've got on now, I really don't like it.

CHAIRMAN TELDON: Let me ask you a question. At any time can you make recommendations to Linda concerning the garments that you are wearing, whether you think they are nice or whatever the case may

be, do you have that opportunity to express your feelings? Would you like to have that opportunity to express your feelings?

VOICES: Yes, yes.

MS. KREEGER: We've got a bad bunch here. I have one benefit Sonia doesn't have. I work in the park with the kids. I do go out every year and I ask questions for about 5 days and they give me their opinions and I do write them down, I really do. That's why we are getting rid of the Gasp because nobody liked to wear it, even though it is one of my favorite outfits. But I feel like that's really important to an amusement park because the turnover generally in seasonal employees is very great. It has supposedly been said that one of the main reasons was that they feel foolish in their costumes. And so that is one of my main concerns, when I do something, is that the kids are going to like it. I worked seasonal at Six Flags too and I never liked to wear a crummy uniform.

CHAIRMAN TELDON: Another question, do you ever get any feedback from the people who come into your park, your customers, whether or not they think it is cute, or, my God, or whatever the case may be; the people do notice it?

VOICES: Yes.

CHAIRMAN TELDON: If you had your druthers, would you rather be in your jeans or would you rather be the way you are right now?

VOICES: Jeans.

CHAIRMAN TELDON: That brings up a very important point and that is unless management decides that this is the way it is going to be, it won't be. So you have to set up the laws, so to speak, and say, this is what I want my people to look like, and stand behind them and do something about it. Let's give them another hand.

(Applause.)

CHAIRMAN TELDON: What we'd like to do now is open the subject to questions, questions you have concerning the imagery, questions that may have been raised by some of the talks that the panelists have given. If you would like to direct it specifically to one of our panelists, do so. Or if you want to send it out as an opening questions and say, "Hey, I've got a question. This is what I'd like to find out." Let's take them as they come.

A VOICE: We have an in-house laundry system. The biggest problem that we have is the loss of ride shirts from grease. I was wondering if any of the panelists know of a good grease product. We use Wyandotte, ourselves, but the degreaser is still not good enough to take care of this. In addition, I personally feel, permanent press, as great as it is, still doesn't look as good as an ironed product. It looses its shape after a while. And it just doesn't look that neat.

CHAIRMAN TELDON: Who'd like to talk on that?

MR. HOLLINS: Maybe I didn't hear quite all you said, but did you say launder or dry-clean?

A VOICE: Laundry.

MR HOLLINS: Laundry. This is what I was talking about a while ago. We are talking about 2 different types of soil, and this gets a little ticklish. There are two types of soil. There's solvent, soluble types of soil, and there are water types of soil, that are removed with water. We'll say that we are talking about gasoline, to make it simple. Anything that will mix with gasoline will be on the dry side, the oily side--it will be removed under these conditions. When you take water and try to mix it with gasoline, it will not mix. If you take oil and try to mix it with water, they will not mix. So you are trying to get out a grease or oil stain with a product that will not mix with it. However, there are some differences to what I am saying. You can also take water and inject it into a dry cleaning system and make it mix with cold solvent, and this is what the industrial type cleaner does. They will clean a lot of garments that you have perspiration in. You have got water soluble stains in, and you inject water into that solvent, cleaning unit, but you have to have co-solvents to make it mix.

We'll go back to laundry. The water soluble stains that you want to remove with water, it's difficult to do. We could get an oil stain, especially on 65/35 content piece of material. That piece of material is like a sponge, and it holds it tight. So the only thing that you can do is to spray on this grease release which is a co-solvent that tries to make this grease that you are trying to get out mix with the water. And the chances are very slim. Now, in one area, in Lion Country Safari, they get pretty rough, and we have a certain amount of oil and greases that get on them. We have a type of soap that also contains solvent. We are putting water in with solvent. Also, it has co-solvents in it to try to make it mix with water. The only answer I can give you that probably will help you any, is there is one chemical. It's made by Buckeye, P-O-G, paint-oil-grease remover. This will mix with water and will also mix with the dry side. But if you get the water on it too quick, then you are going to set it. Then it is hard to get out. When you get into the drying cycle and put the heat on it and set it, it's almost impossible to remove. Like I said, the only answer I can give is contact some local company and probably you can find some paint, oil and grease remover.

CHAIRMAN TELDON: Let me just ask a question. How many people have on-premise laundries in your operations? How many have dry-cleaning in operations? I take it from listening to you, Al, you think that the way to go basically is to get dry-cleaning facilities in there which basically can accommodate the laundry and the dry-cleaning, rather than just the laundry facility, which may not do the total job?

MR. HOLLINS: Right.

CHAIRMAN TELDON: This is food for thought. I was under the impression that if we had an on-premise laundry, that would solve the problem. Al brings up the additional dimension of a dry-cleaning plant rather than purely an on-premise laundry plant. I see a lot of people going to this too. Let's go to the next question.

A VOICE: My question, first of all, addressed to Virgie Groover, you described your park as not large and not small. Would you start by telling how large a park it is because that will make a difference in my question; how many employees do you have?

MS. GROOVER: At the height of our season, June, July and August,

we have 125 to 150 working.

A VOICE: Okay. That's similar to our park. Now, we have a base established. How many costumes do you have per employee?

MS. GROOVER: Three. I forgot to mention that.

A VOICE: Okay. What is your percent of replacement per year?

MS. GROOVER: Would you believe we haven't replaced any?

A VOICE: Terrific. The next question I have is a general question, but you can, maybe, answer it for me. We have at this time striped shirts. We are thinking of going into T-shirts to use them with, underneath the striped shirts or by themselves. What I want to know is if other people have tried T-shirts--I have been doing sort of a test, myself, this past winter with cotton and with cotton and polyester. Personally, just home laundering--this is one of our problems. We don't have any facilities to wash at the park. The cotton seems to me most responsive to getting dirt out and it will just take a lot of wear. What I want to know is how this would be if people used them in their park, a T-shirt, with regard to how they looked and also, with cleaning, if you can answer that question.

CHAIRMAN TELDON: Is there anyone out there using T-shirts in the park for their personnel? Could you give us some idea? She would like to know if it is practical to use T-shirts in the park and whether or not they should be cotton, a hundred percent cotton, or a blend?

MR. KREEGER: We used a blended T-shirt on our male supervisors in the park. They are kind of a beige color and they have a silk screen Six Flags logo directly on the fabric, which we were a little worried about, how they were going to work out. But they are doing really well. We have used them for two years and we haven't had any problem with them at all.

CHAIRMAN TELDON: Do I hear you correct? You use them for your male supervisors?

MR. KREEGER: Correct.

CHAIRMAN TELDON: Do you use any T-shirts for your female personnel?

MS. KREEGER: No, sir, not that I can think of. Our females wear a little vest and pants with a plain cotton shirt.

CHAIRMAN TELDON: Do you think they would be uncomfortable just wearing a T-shirt?

MS. KREEGER: No, I'd like to put them in T-shirts. As a matter of fact, they'd like it more.

CHAIRMAN TELDON: Okay. Does that help you with your problem?

A VOICE: What's the blend?

MS. KREEGER: Sixty, polyester; forty, cotton. If you'd like to know for sure on that, if you will call Six Flags tomorrow and ask for me, I'll get that information for you.

A VOICE: Mine is not a question. It's just a statement. We tried T-shirts last year and, as more of a matter of necessity-- we had them in stock and we wanted something uniform. They don't look very good on girls. They have a tendency to fade, you know, on the brighter colors with red, maybe even, yellows and lighter colors. And then they start shrinking.

CHAIRMAN TELDON: So what you are saying basically is they lowered the image of the park rather than maintaining it?

A VOICE: Well, I wouldn't say it lowered it because it looked better than what they had. They look better than their own clothes.

CHAIRMAN TELDON: I see.

A VOICE: Overall, they are sloppy, if you have sloppy people.

CHAIRMAN TELDON: Another question? Right over here.

A VOICE: It depends on who's looking at the girls in T-shirts. My question, I notice that most of the people in costume from Six Flags had tennis shoes on, all the same. I was wondering how many of you provided shoes of that nature with the costumes?

CHAIRMAN TELDON: Any of the panelists, do you provide shoes at all? Anyone in the audience? One. Do you care to comment on that?

A VOICE: It keeps our employees from wearing the flats and the flip-flops and they wanted to wear things that were more comfortable to them but just did not go along with the uniforms. What we did was we bought the tennis shoes and sold them for our cost, which ran around ten dollars. And then we kept them all in stock, so that when they wear out, we can replace them.

A VOICE: My name is Kent Kruse, Carrousel Park in Oshkosh, Wisconsin. Carrousel is a park that is in the planning stages. We hope to open in 1980. My question is directed to Sonia. This might perhaps be a chauvinist observation, but it is my personal feeling that skirts are usually complimentary to old gals but shorts aren't always complimentary. I was wondering if you have any thoughts or feelings on costumes pertinent to the use of skirts versus shorts or other possible combinations; (2) the multi-layered, multi-piece costumes, such as perhaps costumes that utilize vests, is there consideration in hot weather as far as the comfort of those costumes?

MS. RAMARIZ: Most of them wear shorts; that's true. But we have both a combination of culottes, or the short pants with the short skirt, which is a compromise between the two of them. The culotte, which would be a little bit longer than shorts, and is shorter than the skirt. As far as the layers, yes, you are right. In some areas, they cannot wear so many layers. They have to wear short sleeved dresses, very light weight material, because of the climate situation. So it all depends on where the park is located as to fabric selection and styles.

CHAIRMAN TELDON: I think there is another question over here.

A VOICE: If you require your people to wear sneakers, how does the older generation, like the retired, generally feel about wearing sneakers? I think if you check, most young people don't

mind wearing sneakers. But when they get to a certain age, people are very uncomfortable wearing sneakers. If it's a requirement, how do you handle that with the older generation?

CHAIRMAN TELDON: Linda, would you care to comment on that?

MS. KREEGER: In the first place, we don't have many people much over, say, about 23. That's about the oldest person we have working in our park seasonal. We don't have too many complaints with our tennis shoes, other than the fact that they aren't really very pretty. I'd rather have shoes for each department--each shoe, match the uniform. But we found it more economically feasible and easier to control by ordering all of our tennis shoes from an overseas company who manufactures our tennis shoes. I don't know if anybody noticed the Six Flags on the tennis shoes, on each side of the shoes, so they are definitely Six Flags logo shoes. You can't get them anywhere else. So they are a little bit special to the kids as souvenirs at the end of the season too. Our cost is probably I believe between four and five dollars. And we resell them to the kids for around seven or eight, maybe nine. I can't remember. That's in the attractions department. We have a company store, and we sell all those little things like that that go with uniforms.

A VOICE: I'd like to direct a question to the gentleman from Kings Dominion, a rather simple one. Do you do the maintenance laundry in the wintertime as well as in the summertime?

MR. HOLLINS: Yes, we do. We have four people that work in wardrobe during the winter months and we have two fulltime and two seasonal. We still do the maintenance uniforms during the winter.

A VOICE: Thank you. One other question to the gentleman from Geauga Lake. I'm a little confused. Do you buy uniforms, your pants for boys and girls, for \$15.00 and sell them to them for \$10.00, which I assume you subsidize the balance, which would be five dollars--

MR. LOCOCO: We subsidize about fifty percent.

A VOICE: Then you get them but every four years?

MR. LOCOCO: No, we get new pants every year. We start off with new trousers for the boys and if the girls involve slacks, we start out new. So every year we are always getting new slacks and new trousers. Every four years we replace one of the department uniforms, the uppers, shirts and the jackets, the blouses.

A VOICE: Is there a particular reason for that? You are making ten dollars on every pair of pants you issued, obviously--

MR. LOCOCO: No, I said we were paying approximately fifteen dollars for two pairs, about eight dollars, which would be about ten dollars retail. We charge them ten dollars, so we eat five dollars of it.

MR. STEPHENS: I'm Tony Stephens from Six Flags Over Mid-America. First of all, I would like to compliment Mr. Hollins on his professionalism and hope that everyone takes it into consideration that what it takes, when you are doing your own dry-cleaning or laundry, is the type of professionals that he is talking about. Number 2, there's quite a difference in the parks here that are on

the panel. I would really like to do what Miss Groover is doing and what Mr. Lococo is doing. But I find it very difficult to sort of personalize garments the way you say you do because we have around 2,500 or 3,000 employees. If there's some way you could help me out regarding personalization, I'd be glad to hear it. Miss Ramirez spoke about shorts or skirts. You have to bear in mind, I think, what is most functional. In our park, we have girls who are working on ride operations also and there's a lot of dirty old men around. If the girls wear skirts, they become, you know, a little self conscious of being leered at all the time. The object is, in designing shorts, that you design some shorts that are not too sexy but still have a youthful appearance. I found that the stuff that I have got from Angelica in the past years has been very beneficial along those lines. To Mr. Hollins again, I would like to say this year, after seven years of begging I am getting my own in-park services and I do want to say that the dry-cleaning end of it is just as important as the laundry. I think 75 percent of my inventory is 65/35 polyester and cotton and would launder. But with laundering you are not going to get the proper job unless you use the proper temperatures, unless you do the cool-down and all that bit. Professionalism is what counts. Otherwise, you are going to be right back where you started.

A VOICE: I was wondering what the feasibility would be for a small park of, say, 30 to 50 employees as far as either having to do their own or having a commercial, and what your opinion would be for having some kind of a small laundry facility on the premises?

MR. LOCOCO: I think with that few employees, the only feasible thing would be having them to do their own. I don't think even a home washer and dryer would benefit you that much.

MR. HOLLINS: Provided that you are not thinking about the aspect that you might be planning to continue this--you can start out small. You don't have to start out too large. You can get a small washer, 50 pound laundry washer, and this way, you will be able to take care of any emergencies that you would have in your park. You can also have a small dry-cleaning unit. I'm not saying get one like we have at Kings Dominion that carries 110 pounds. But you could start with a small one. You could possibly find a good used one, with a lot of cleaning plants going out of business nowadays, and I would be willing to bet that you could find a good used dry-cleaning machine and possibly a small laundry.

CHAIRMAN TELDON: A lot of us, I'm sure, have been to these areas where they have coin-op dry-cleaning laundries. There are some companies that will rent a dry-cleaning laundry facility to you with the understanding that there is a certain amount of money that they will get returned every week. This may be a feasible idea. Incidentally, it is interesting to notice that there is a difference of opinion here, and I can't say either one of them are right or wrong. Would you like to comment on that?

MS. GROOVER: I think it pays to get a home laundry, even just a small one. That way, you keep close control. You don't lose control of them. They take them home--they come in the next day, "Oh, I forgot my uniform." What are you going to do? It's worked out fine for us. It isn't that much of an investment.

CHAIRMAN TELDON: Thank you. Other questions?

A VOICE: Yes. I guess I'm very naive in this whole business of

uniforms, but how do you go about selecting the sizes and how many of each size, when you don't know what your employees are going to look like?

MR. HOLLINS: With difficulty.

MR. LOCOCO: Let me tell you, I think the application blanks will tell you a lot. If you get your application blanks out for two or three years you can pretty much go from the application blanks. You are never going to be able to judge it. That's why you have to overbuy. You better overbuy by about 15 or 20 percent or even 30 percent. Because if you don't, come the middle of summer, I think you'll get a lot of answers. If you are brand new, then it's going to be tough. Then go to the department store, big department store, and they have schedules of what are standard sizes for 16, 17, 18 year olds. I imagine Angelica could service it for you. But there's regular schedules where buyers buy what's popular sizes and so forth and so on. They go right down the list. I think--if you order from them, they can tell you what the popular sizes are. Then you have to pick up the front and the back. But after a couple of years, you'll have applications and you will also have your record.

CHAIRMAN TELDON: Most uniform manufacturers could take everybody in this room and take a bell curve based on the room, clear out the room, bring in another group of 100, 200 people, that will fit in that bell curve. That is standard with most manufacturers. They will be able to give you a pretty good guesstimate of what you need.

A VOICE: We went into ball caps this year and we tried to dry-clean them. They had a plastic band in the back end of it. We bought ours from a local firm in Ohio, and we were wondering--all our hats shrunk. Our large is now small and our small probably fits a baby. We definitely have a problem, and if there is anybody that can help us, so that when we do reorder for this coming year, we could get like 2, 3, 4 years out of our hats.

MR. HOLLINS: I don't guess I am here to call company names. But I will tell you where we buy ours. We buy ours from Derby and we have had real good success.

A VOICE: Did you dry-clean them?

MR. HOLLINS: We dry-clean them, we bag them. In dry-cleaning anything or laundering anything, you have to be particular how it is handled. In your laundry process, if you are laundering them, you've got to get the cycle short enough where you can get your day's work done, not to run them all day long, to wear them out in the machine, but to remove the soil that you are trying to remove. The same thing is on the dry-cleaning of the hats, if you place them in a nylon bag and make the runs short, you don't have to run them all day. Every time that this machine turns around and drops a gallon of solvent on these hats, it's 14 pounds hitting it every time. It really removes grease. Beating and pounding is what shrinks them. The same thing in your laundry machine, a high level of water keeps them from falling. If you put a cushion of soap on top of it, that lets it fall lightly on top of the soap. But you can eliminate a lot of this. You don't want to load the machine with soap, so you cut down on the length of time that you are running. I think probably they might have been a good bunch of hats, but they might have been mishandled.

CHAIRMAN TELDON: Al brings up another dimension. That is, when you are buying, it is a good idea to get some assurance from the company that you are dealing with relative to the shrinkage of the garments or the hats, whatever the case may be, and let them stand behind it.

A VOICE: To the people from Angelica, if I were going to buy food uniforms for my food people, what color and what fabric would I pick to get the best use, like 10 years or something like that?

MS. RAMIREZ: Well, first thing would be the color--red, print, oranges, rust. All depends on where you are going to put it, what are the colorations around it, if you have a theme to follow or just a plain food service. Prints, especially, like I said before, to blend with the catsup, the mustard, the spots.

A VOICE: What kind of fabric?

MS. RAMIREZ: 65/35, permanent press.

CHAIRMAN TELDON: I'll even throw in another point of view relative to your colors. In many cases, people feel that white has historically been the color used in food service. Believe it or not, when they do open-heart surgery, the garments at the open-heart surgery, it's all colored garments. It takes away from the glare; it's more appealing to the eye. And consequently, I think that the idea of color in the kitchen is just as important and it adds something, it's a different dimension. I will also add a thought--the utilization of the knits which are becoming more and more popular in your field. Knits basically have the capability of having what we call a soil release finish which primarily means that if it is applied to the knit fabric, the soil will be absorbed into this soil release chemical and then released at the time it is dry-cleaned or laundered. I'm not saying it is a miracle, but I am saying that it is something that is being developed and used more and more in the industry. And I think it is worthy of your consideration. Bear in mind that we are not talking about garments that last 4 and 5 years. When you are talking about knit, you don't have that kind of longevity. Other questions?

A VOICE: I'm Jack Fite from Wax Museum. We have the same problem you do with a small number of employees, and the bell curve, seems to me it will work real well if you have a lot of employees. My question is if you uniform employees, it would be very simple to have people return the next summer. Does the bell curve still hold true under that situation, and if so, would it be--is there a uniform that we can use for all types of employees, a smock or something like that?

CHAIRMAN TELDON: A smock is very practical. You can get a smock for the women and you can get shirts, jackets, for the men, something that comes in small, medium, large, et cetera. In many cases, we have what we call cobbles, which the one size fits all, which really does away with a lot of problems concerning your sizes. Normally, in the industry, you have people of a certain group that are involved. You saw the kids that are out here. You know that many of them are very small in stature. Many of them take junior sizes, et cetera. So you are not talking about the big end of the spectrum; you are not talking about the sizes 42 and 44. You are talking about the smaller sizes, which basically restricts your bell curve and makes it easier for your sizes.

A VOICE: In our park, we issue uniforms to the various departments, as well as aprons. I would like to direct a question to both the gentleman from Kings Dominion and Geauga Lake. One has laundry service in-house. The other apparently doesn't. The person from Kings Dominion, do you issue aprons and soda towels of that nature to food service operations?

MR. HOLLINS: It is a state law in Virginia that they have to wear a hat, so we have to furnish a hat; and everybody in food service wears an apron--bar mounts, towels, I think is what you are referring to, is what they use. We stock the stands with all these towels, as many as they want. They use them for everything, wiping the floors, grills, hands, anything they want to use them for. We launder all of those.

A VOICE: What about losing them, if you don't keep a direct inventory back at your distribution--

MR. HOLLINS: Well, we have kept an inventory. In fact, I'm pretty strict on inventory, to be honest with you. Last year, not this past season, we had a check-out sheet. We stocked each stand, depending on where the stand was, how many they wanted in that stand. In order to keep them supplied, we let them set a scale at the beginning for each stand. Well, when they came back to exchange towels, we counted everyone that they had. But it was a real hassle. At the end they were screaming "murder" because they had lost some. So this year, I took a different approach, and I let food service handle all of the towels and I told them how many towels I had for them and how many I had bought. After we launder these towels, and carry them to the warehouse and they issue them out--I told them personally, I said, "When you run out, it is your fault." Some of these towels went into the garbage can. The previous year, we could go through the dumpsters and find them because they didn't want to come back to wardrobe and the laundry area to bring them back. And there was a lot of money being lost. So this year they have handled them and they have done a pretty good job.

A VOICE: How does Mr. Lococo handle it?

MR. LOCOCO: Our warehouse delivers the towels in the morning. If they give him 3 dozen dirty ones, they get 3 dozen clean ones back and the food manager of that particular location is responsible for them. He signs up for whatever he wants; in a manager's meeting every week, there are constant speeches, "Where do all the towels go?" We do launder our own towels. We have a commercial size washer and we do our own. It's a never ending battle with towels regardless of who gives them out. We have found that the food service manager brings it up at the meetings, but they always end up in the trash can.

MR. HOLLINS: I might add just one thing to that. They did appoint somebody in food service to go into the park and not let the seasonal employees bring them out. We let a cushman go in and round these towels up from food service and that has helped considerably.

CHAIRMAN TELDON: Would you like to discuss this pertaining to the small park, Virgie?

MS. GROOVER: We issue aprons with the uniforms. They are not sized. They just come back with the uniform. On the towels, that is a hassle, I guess, everywhere. We always lose them. They come

in looking like they have been in the mud puddle or they just ditch them before they bring them in. We do our own towels. The gal that does the uniforms does the towel service, which is pretty big in the summer. She lets them soak over night, throws them in the first thing in the morning, gets them done. There's a tremendous loss on towels. They never come back.

CHAIRMAN TELDON: I'm not saying it's a solution, but the people who sell towels have sales at specific times of year, depending on the time that business is good or bad. Very possibly, that by watching those sales, that is the time to build up your surplus so you can get the benefit of the pricing, because evidently, small park, medium or large park, does seem to have the same problem. Any other question? With that, we thank you very much for your time. We thank the panel. You've done a fine job for us and we hope you have been instructed and helped in your endeavors. Thank you.

... The workshop was concluded at 10 p.m. ...

RIDE OPERATIONS WORKSHOP

TUESDAY, NOVEMBER 14, 1978

GWINNETT, DEKALB, PAULDING & DOUGLAS ROOMS

The Ride Operations Workshop convened at 8 p.m., Chris Hines, Western Playland, El Paso, TX, presiding.

CHAIRMAN HINES: Welcome to the 1978 Ride Workshop. My name is Chris Hines, and I'm president of Western Playland Amusement Park in El Paso, Texas. Our annual attendance is about 500,000. We classify ourselves as an intermediate park or a small park. We've got a real winning panel up here. I've been attending this convention for twenty years, when it was back at the Sherman House. I've seen a lot of changes, and I think we're in store for a lot more. I heard today--somebody was telling me that interest rates went up to 11 per cent. You know what that means; instead of the ride I was going to buy, I'm not going to buy it, it looks like. We're going to probably try to fix rides. The ones we thought maybe of replacing, we'll probably end up remodeling them. It's getting a little ridiculous, and I think we're all going to be in for a real shock wave when we go on the showroom floor in the next couple of days.

I remember the first year I came up here you didn't see any fiberglass in rides. They were mainly--Allen Herschel Company was making them out of sheet metal, the cars, whatnot--very little fiberglass. You didn't see any hydraulics. Hydraulics was unknown to the industry twenty years ago. Lighting--I think there was one ride that had fluorescent lighting when I came up here, and that was an Eli Bridge Scrambler, and it was introduced in 1955, and it was the only one at that time. The had incandescent lighting on it, but that was the only ride that came with fluorescent lighting. Aluminum, there was no such thing. They were made out of steel, and heavy, and the park people and the show people were lifting up these heavy rides. Portability was--if it hadn't been for Harold Chance, where would we be today, Arrow Manufacturing? There were two ride companies that back in 1960 were very small. Harold was still working on his trains. Electric motors are getting smaller and less reliable.

Nylons, polyurethanes, it's changing our industry. I just

got back from the AMOA show in Chicago, and you wouldn't believe that whole game industry, has changed in three years. Solid state is taking over everything. Pinball machines that talk back at you, tell you to put a quarter in, and it's not done by tape. It's all done by solid state. So there's a lot of things that we come to the show to see. And I'll tell you: in my lifetime and my son's lifetime, we're going to see a lot of changes, and it's going to go real fast. That's why we're here tonight to attend this workshop, to learn what other park members are doing, new products that are coming out, and I've got a few here that I want to share with you.

The workshop's going to be in two parts. I want to introduce my panel right now. The first part, Bob Howard of Libertyland, Memphis, Tennessee; and next to him, Bill Near, Cedar Point, Sandusky, Ohio; Craig Cope of Dorney Park, Allentown, Pennsylvania; Jack Partlow of Partlow Electric Company, and that will be Part I. Part II, Harry Henninger of Kennywood Park Corporation; Billy Baxter of Lake Winnepesaukah, Rossville, Georgia; Ted Miller, Bowcraft Amusement Park; Dick Frank of Bob-Lo Island Amusement Park, Detroit, Michigan; and Dick Boyce of Roseland Park, Canandaigua, New York. Now, we've got some real winners up here. We're going to save all the questions until after they've got through talking.

Bob Howard, Libertyland, Memphis, Tennessee. He's going to give us a talk on effective communications among departments to improve ride operation efficiency.

MR. HOWARD: Thank you very much, Chris. Dear friends, a real pleasure to be in front of you once again. All due respect--Harold Chance Manufacturing is a fantastic operation, but being the division manager of Allen Herschel Company at one time, I have to say if it hadn't been for the Allen Herschel Company, Harold Chance wouldn't be where he is today. I also have to say to preface this little expose that except for marketing discounting the front gate too much, this is probably the next problem that we have in our parks today, effective communications between departments to improve ride operation efficiency. This means producing a desired line open among departments to give information by talking or writing, telephoning, radio or any other means of relaying messages from one department to another in order to produce or expedite a more operative, businesslike and competent ride operation. From top management to the operator, all lines of communication must be kept open through all departments that rides depend upon. We have personnel requesting help. We have maintenance taking care of the rides. We have a ride operations director, who should be familiar with maintenance, as well as operation. These departments must work together with shared responsibility to achieve the desired goals of having the best operators, the best director, operations and maintenance. An open mind in cooperation with all departments should be the achievement of success. C-O-O-P-E-R-A-T-I-O-N, Cooperation, is the word, and only the meeting of minds will achieve this cooperation.

A weekly meeting of department heads, where complaints, criticisms, things well done, new ideas all can come out, be sorted and put to use or stored for future consideration. The old cliché, "Two heads are better than one," fits here. Also, one of our favorite things is there is no such thing as a stupid question. Some intelligence may come out of that question.

We have maintenance and ride operations get-togethers and have

an indoctrination period for new operators to make them aware of what is expected of them, for much maintenance depends on operation, as well as operation depends on maintenance. It's a two way street. Weekly meetings should also be held among operators and maintenance where each can voice an opinion. Sharing opinions and experience makes us aware that no one is infallible, and we can all strive for improvement.

We have supervisors who report directly to our ride operations director. They help with scheduling, help in operations, see that time cards are correct, and are responsible for getting these to the payroll department at the designated time. They also see that rides are covered with help at all times, and have available to them a file of names from personnel to call in case someone doesn't show.

Security plays a large part in our operations and communications, and we have to be quick. We have telephones installed at each ride to hasten communications to the personnel office, maintenance or base station to contact department heads or supervisors with two-way radios. This enables us to quickly contact first aid and electricians and helps us in our safety program.

Without efficient communications, whether vocal or written, the right hand doesn't know what the left hand is doing. Again, a cliché, but so right. It is time that the older parkies belly up to the bar and take lessons from the larger parks in communications and documentation. You have a smile on your face, Bob Bell, Jr. The day is past where word of mouth is word of action. Written communications via memos, job descriptions, is a part of normal procedures today. No one will go any farther than anyone wants them to go without communicating as to the what, where and when to go.

We attempt to have a good game plan. We're all players on the same team, attempting a winning score. We strive to make all employees a part of the family. We are all ambassadors for Libertyland in the mid-South region. We feel that all departments are striving to do their very best to improve efficiency in ride operations, and we feel the goal to us is the same--success. And with the cooperation of all, we are making it work. Thank you so much for this privilege.

CHAIRMAN HINES: Thank you, Bob. Next I'd like to call on Will Near, Cedar Point, Sandusky, Ohio, who will tell us about recruitment and selection of ride operators.

MR. NEAR: Good evening. For those of you who may be unfamiliar with our facility, Cedar Point is located on Lake Erie between the cities of Toledo and Cleveland, Ohio. The 109 year old amusement center is situated on a peninsula, of which 364 acres are currently developed. Our complex features an amusement park, a 400 room hotel and the largest marina on Lake Erie. We currently have 57 rides within the amusement park, including six roller coasters, two water flume rides, two skyrides, an observation tower, a steam operated railroad system and numerous circular rides. During the 1978 operating season, we enjoyed a record attendance of 3,100,000 guests for our 119 days. In 1978, we maintained a seasonal staff of 3200 employees. The majority of these people were either college or high school students. Of the 3200 employees, 15%, or 500, were positioned as ride operators. During the past season we provided 51 million rides, and subsequently this accounted for an

average of 102,000 rides per operator. With this much public exposure, the attitude and performance of our ride staff is crucial to the success of our park, and we place a great deal of emphasis on our recruiting program.

Cedar Point has a unique situation in regard to employment and seasonal employees. Our local labor market supplies a minimal supply of seasonal applicants. However, we have on-site housing facilities for 2,000 employees. Due to this situation, our recruiting efforts include visiting some 26 universities within a seven state area. Recruiting over 3,000 seasonal employees is no simple task, and each fall our personnel department commences the monumental task of developing a college recruiting tour. They begin by evaluating the effectiveness of last year's tour and examining areas which may be eliminated or given more emphasis. The colleges which are incorporated into the tour are those which have proven beneficial in the past in producing acceptable applicants. A college is categorized according to the quality of its student body and the date which the students are available for employment. Securing arrangements for interviewing at various campuses is like fitting together pieces in a jigsaw puzzle. Schedules are shifted and rearranged until we arrive at an economical and efficient tour. From our recruiting program, we hope to receive some 8,000 applications. To give you a better understanding of how we choose our ride operators, I'd like to give you some insight into our recruiting program.

Effective preliminary advertising is extremely important in order to generate employment interest. Prior to our arrival at various campuses, we place advertisements in appropriate newspapers and send posters, brochures and applications to the college placement offices. We also use past seasonal employees as campus representatives in an effort to generate interest in Cedar Point employment. Since our seasonal wages are at minimum wage, we must sell the total experience of working at Cedar Point. In our recruiting brochures we use such inducements as, "A Cedar Point summer offers a chance to meet new friends from all over the country. It's a summer job you can remember for the rest of your life."

A combination of planned and informal social activities in this vacation land area creates an exciting social atmosphere. There are weekly employee dances with live bands in the Cedar Point Ballroom and weekly movies in the convention center. There is a full intramural program for men and women, and the amusement park rides and attractions are free. I guess the only thing we don't mention is that they will have to share this Utopia with some three million guests.

Training of recruiters is another important facet of our recruiting program. The Cedar Point recruiting teams are comprised of various managerial employees throughout the company. The department representatives are trained in interviewing techniques by our personnel department. And to assist the interviewers on the campus recruiting tour, we have developed an orientation slide presentation which is shown to prospective applicants before they are interviewed. This presentation has been a useful device in introducing applicants to the various job descriptions available and orientating them to Cedar Point's operating philosophy.

Since our recruiters are exposed to many applicants, individual interviews must be brief, yet sufficient enough to make a reasonable evaluation of the potential employee. Our recruiters

get an interview report for evaluation. They will ask a candidate eighteen separate questions and attempt to measure the following characteristics: appearance, poise, personality, attitude, speech, intelligence, experience. The recruiter will then rate the candidate in regards to potential employment at Cedar Point. We generally find that ride host or hostess is by far the most sought after seasonal division. The average Cedar Point ride operator will be an eighteen year old college student who will be housed at Cedar Point. A student who is helping to put himself or herself through school is a likely candidate. An applicant, however, who bears sole burden of a college tuition is likely to eventually quit for a better job. Most importantly, however, ride operations is looking for someone who can easily assimilate into the Cedar Point frame of mind. We want employees who are trainable and who can be motivated. It is essential that the ride employees be mature enough to serve the public, handle stress situations and to assume a safety conscious attitude. In many cases our ride operations representatives are former ride operators themselves who have worked their way up through the ranks. This is invaluable to them as an interviewer because they can relate firsthand experiences to the applicants. Many of our recruiting representatives return to their alma maters to interview, thus giving them additional ties to the applicants.

The candidates' applications are closely examined before placement. Consideration is given to the applicant's college major, physical characteristics, noted health problems, general interest and past employment. One or more of these factors may play an important part in the placement of prospective ride operators. Careful thought is given to the placement of ride operators, as the employee's interest in his job will have direct bearing on the manner in which he performs his or her duties. For a Kiddieland area, ride management looks for elementary education or social work majors. Speech majors or aggressive, outgoing applicants may be directed toward our paddlewheel cruise line. They will provide dialogue in this ride and can effectively contribute to the overall enjoyment of the cruise. The most highly rated applicants are strategically placed on our more intricate ride positions.

Recruitment for next season's supervisory staff begins in early August; also, campus recruiting representatives are selected at this time. And, of course, as employees leave for the season, they are encouraged to recruit their friends for future seasons. Many people have referred to Cedar Point as the country's best traditional amusement park. It is not our rides that have provided this recognition; it is our employees. Our employees are the best product we can provide our guests. Thank you very much.

CHAIRMAN HINES: I'd like a show of hands. How many of you use female ride operators on your kiddie rides?

Now, I'll tell you. I don't know. This is something we did a few years ago. That's quite a few. We found that they are probably the best. It seems like maybe they're used to it at home. I don't know. But we've had real good luck with them. As a matter of fact, I notice even some of the larger parks are using them on major rides. We sent our whole crew down to Disneyland for a big blast at the end of the season, which I'll go into a little bit later. But they reported back to me on the new corkscrew or whatever the name of that ride is down there. They have female ride operators. I think there is justification for female and male on certain rides, but we find on kiddie rides that females

seem to do the best job.

Our next speaker is Craig Cope of Dorney Park, Allentown, Pennsylvania. He's going to talk on the relationship between personnel department (recruitment) and the ride operation department (selection).

MR. COPE: Good evening. I was asked to speak tonight about recruitment and selection of employees. I'm from Dorney Park, Allentown, Pennsylvania. Recruitment's sort of a difficult task there. We're located, I would say, in the middle of a very large industrial area. We have over thirty, forty, fifty factories, lot of fast food chains around the area, which makes it very tough for us to recruit employees. I start off with trying to get back some of the good people from last year by a simple drop of a card at Christmas time, with a little note in it explaining how we appreciated them coming and working for us this season. They get a feeling of respect. Sometimes that's more important to them than financial motivation, because they feel that they're wanted.

Early in January what I try to do, I have a mailer that I made up I sent out to the employees that I would like to have back --not everybody you want back--but I'd like to have, I'd say, about 50 per cent of them back. On the mailer, it states when the park opens part-time and when we open daily. Also on it, it states when they would be available to start part-time; when they would be available to start full-time. This is extremely helpful in organizing the upcoming season. I find out exactly how much recruiting I'd have to do in other areas. I sent out last year, I think, oh, a hundred mailers. I got back approximately 75 out of that 100. I would say 60 of them actually showed up, which I thought was pretty good.

Starting with the new help, I contact schools. I go to them personally. I either go to colleges or high schools. I go to the placement office or go directly to the guidance counselor. I try to make an appointment with them so I can talk to them about different jobs that we have at the park. Nine chances out of ten, you'll find that they're extremely helpful. I made up a kit to give them. It makes their job easier. They don't want to have to fool around and explain to every person that comes in how much you make when you work there or what are the hours or what's this or what's that. So I made up a kit. In the kit, I give them four or five posters to put around the school; explain that we are now hiring for this season. I give them fliers. On the fliers they have different things, such as what they can earn for the first year employee or a second year employee, what the managers earn, the different job openings, some of the benefits that are available to them. The results from these contacts with the schools, I would say I receive anywhere from 350 to 400 applications. We need roughly, I'd say, to start our season about 175 to 200 people. In the peak of our season, we need about 300. So this is a really good help for us to get started.

Along with that, I do it a number of ways. I ask the guidance counselor or the placement office to keep the applications that I gave them, and I'll come and pick them up. If there's any questions, I give them my number. They can contact me. A lot of times what I like to have them do is for the students to mail the application to me. It gives them--it helps them out a little bit, I think, as far as making them feel like they want the job.

As far as selection of employees, it's a tough thing. How do you select employees? Like I said before, we have anywhere from 350 to 400 applicants to interview. I do it all by myself, and naturally you can't interview a month, month and a half ahead of time. What you have to do is you try to get as close to opening as possible. I start interviews roughly three weeks before the season opens, which when I start interviewing, I call up everybody. I talk to them personally. I set up--I try to set up at least three people to an interview. Naturally, I'm short of time. I can't afford to sit down with each individual person, so I try to get three people at one time. I make the interview very short. I judge the people on their attitude, on their appearance and on their personality. There's a few questions that I ask them. I think the main one is why they want to work at the park, what makes them want to work there. You ask them that; they say, "Well, I have nothing else to do," or "I can't find another job," you know, you'll start to bring out their attitude in a job. It might help you in selecting where to put them in a job. Also, I make up a chart of all the rides in the park. On this chart, each ride will have physical strength, mental sharpness and creativity. An example of that, a lot of rides maybe a young lady can't operate, or it takes somebody with a little bit of personality; an example, the Indy 500. I don't know if everybody's familiar with that. It's race cars that go around the track. What they do there is the cars get in an accident, they have to put the cars back on the track there. There you need physical strength. On the microphone on the Indy 500, you need a little bit of creativity, too. It's sort of tough. It's hectic all day long. These kids are getting in accidents. You have to fix them, and you have to have somebody a little bit cool. Another example would be we have a steel roller coaster, the Flying Dutchman. This is a job that is not an easy job. It's nothing that takes any physical strength. This is where you need mental sharpness. The ride at one time, I would say, handles ten cars going around the track. There's a person at the master control. If an accident would happen, he has to hit the emergency switch. Now, to do that, he's got to have his eyes all over. He's got to have a little bit upstairs. You just can't put anybody there, or else it will result in an accident.

The next thing, at the end of the season was tough this year. This was my second completed season with the park. I came into a few new problems by being a little bit more selective this year than I was the previous year. I found out that I hired a lot more college students. What this did, it came August 26th, I was running out of help. I had no help. I knew it two weeks beforehand. I tried to get a list of everybody, when they're going back to school and everything like that, and I found out on the 26th that I was going to be in big trouble. What do do? I didn't know what to do. I was going into a panic really. So what I did, I remember last year at the convention, Dennis Spiegel of King's Dominion had mentioned raise money for your organization. I was thinking about it. I said, "I'm going to put it to the test. I'm going to try it out." So now I went to an organization near the park called the Circus Model Builders. And for those who don't know what the program is, I'll explain the program. For any ten people that they supply, we'll give them \$100 as a donation toward their organization. Anybody over ten, we will give \$15. So I explained this to the manager at the time. I explained that they would have to work at least a six hour shift. They would also have to finish out the season. At that time it lasted, I would say, roughly two, two and a half weeks. The response I got from this was unbelievable. I didn't believe it. We were saved really. They saved us

a lot of money. They came up with 17, 18 people. They were all ride operators. They helped out terrifically. They were all good personalities. They were eager to work, and it just worked out super. It brought me to think also in the coming season, which I'd like to try this year--I don't know how this is going to work, but I'm sure the response I got at the end of the season--when you first open up, the first, the second week, you always have that initial problem of what do you do in the daytime when the kids are in school, or they're at college. Well, I'm going to try this with a few more organizations and see how the program will work out with them. Thank you.

CHAIRMAN HINES: Thank you, Craig. I would suggest you all go to McDonald's and get a sample of their application form. Outstanding. We copied it right down to the last possible thing that we could. It's in two parts. The top part, of course, is the application, and up in the left-hand corner, right-hand corner, a photograph has to be attached. You can weed out a lot, if you have a lot to pick from, by just the photograph. The way they fill out the application, at the bottom of this application is a personal record that goes into a filing cabinet, and when they leave or any time disciplinary action has to be taken or they don't show up for work or something happens, this bottom file is put in--it's cut and put into our files. Now, they see this. They know that a personal record is going to be kept on them. Now, I can't tell you why McDonald's followed this, but it's worked very well for us, especially the photograph on the application, and it seems like since they know and we tell them that everything while they are employed with us is going to be jotted down for further information, and not only that, but we tell them we give references--we can at least talk to these other people that you're looking for a job intelligently, so that might help. But they do have a very fine application form, and we just copied it.

Power consumption is getting to be a real problem, especially if you're in an area where power consumption and electricity keeps going up, up and up and up. We have a Cyclon roller coaster that came with 25 watt--I don't know--I think it was 3,000 of them underneath the station. Well, we started unscrewing every other one. Now we're going from 25 watt to 11 watt. You would be surprised at how much electric power you can save by just taking out a few light bulbs. But is that going to hurt your rides? In some cases, it could. But electrical consumption is getting to be a major problem in our industry, and here to help us with something is Jack Partlow of Partlow Electric Company, who's got an idea on consumption of electrical power to decrease the cost of a ride's operation. And after this, I've got a little something I want to share with you.

MR. PARTLOW: Thank you, Chris. Ladies and gentlemen, I want to change the topic just a little bit. Ways to cut costs on electrical maintenance and consumption. I distribute and manufacture a portable electrical distribution system. For the past two years, I have been experimenting and testing a piece of electronic equipment, solid state unit, on various ride operations from enterprises to zippers to skywheels to diesel generators. The results have been unbelievable. We have been able to cut the temperature on fluorescent lighting and ballasts as much as fifteen degrees. We're able to cut motor heat as much as fifteen degrees. And so, gentlemen, when you cut the heat, you're going to cut the consumption of electricity. Instead of me talking to you tonight, I want to introduce you to a man who has flown all the way from San Diego,

California to talk to you on this product and what he has found, because he designed it and engineered it, and he is going to be with me here through Thursday. He is going to be at our booth down at the exhibit hall. I'd like to introduce to you Mr. Jack Cooper of Unity Power Systems of San Diego, California.

MR. COOPER: Thank you, Jack. Basically our product is a solid state device that was designed primarily for computers. We found out that computers are operating in a bad electrical environment; that electrical equipment causes the environment to be bad. Electrically speaking, you create your own problem just by the mere operation of equipment. So what we set out to do is clean up the power for the computers so that they could operate more efficiently, last longer and not give you somebody else's bill at the end of the month. So we were very successful, after a couple of years of experimenting. But then, quite by accident, we found out that all electrical equipment operates more efficiently, such as fluorescent lighting, electric motors, contactors, relays, this type of thing--all the things that are related to your industry--all these things will operate more efficiently, last longer and use less energy if you can supply a good, clean power signal. Now, in your industry you happen to have, if it's a portable amusement park, one that's moving, you've got a generating system here that is diesel operated, and you have maybe fifty or a hundred different motors, and they're all cycling at different times. You have no control over what you're doing with your power. Now, as this happens, you're distorting the power and you're making your electrical equipment operate inefficiently. What we do is we clean up that signal to give the equipment a better chance to operate. We've had results of fifteen degrees on ballasts, on fluorescent tubes and ballasts. Well, that's a little conservative. We've seen them a lot higher than that, to where they drop as much as fifty or seventy-five degrees. And the ballast manufacturers and fluorescent tube people will tell you that for every fifteen or twenty degrees that you drop that temperature, you double the life. So that means that equipment operates longer, costs you less to operate. Motors will operate about the same way. They'll operate at a much lower temperature. They'll operate more efficiently. You won't get in-rush currents, and this will allow you less maintenance costs on the motor, less down time on the equipment, and improve performance, plus using less power. And it does get very, very technical. I don't like to get technical with this audience because it's a little bit difficult, but basically if you were to stop by Jack's booth--he's in booth 1027 at the expo center--if you were to stop by there, you can pick up literature. I will be there Thursday, and Jack will be there for the whole show. And if you have any questions or you need anything explained in more detail, we can go into it at that time. Thank you very much.

CHAIRMAN HINES: Talking about consuming electricity, just before I left for the show, I received this flier in the mail by the General Electric Corporation, F-96 T-12, a major breakthrough. As you well know, at 75 watts, an F-96 regular T-12 is 75 watts. They call this the Watt Miser II. It comes in a 96 inch T-12 made by the General Electric Corporation. It runs anywhere from \$.60 down additional cost, and here's what I figured on this. You take a skydiver. It has 192 light bulbs, F-96 T-12's. That figures out at 14,400 watts. If you just started replacing these one at a time, your breakage, and got the 60 watts in there, you got it down to 11,520 watts, with a savings of 2,880 watts. They've got it all figured out here. Not only that, they have it in the 40 watt Miser II in the 96 inch. I was going to try to figure out--I did

not have enough time. If I replaced every 96 T-12 in the park with this minute Miser, it looks unbelievable, and I'm going to do it when I get back. I don't know too much about it. If you want to write it down, or I'll have this brochure up here if any of you want to look at it. We've been approached by a lot of light people with wonder lights and things that will save you consumption, and I'm always leery of all of them. But when the General Electric Company comes out with something, I really do feel like they might have something. Now, you're not suffering anymore. The sight is the same luminous--it puts out the same amount of luminous as the regular 75 watt bulb does. It's something that we might look into.

That concludes Part I. In Part II, we're going to start off with short presentations from some park people with some valuable information for us. We're going to start off with Harry Henninger, Jr. of Kennywood Park Corporation, who is going to talk to us about holding costs down to a minimum on specific rides.

MR. HENNINGER: Thank you, Chris. I'm a little remiss in sitting on this dais tonight talking to you about holding down the operational cost of a specific ride, and particularly on payroll. After I was elected, quote, unquote, to this position, we--bottom line started to appear at Kennywood. We had an across the board wage increase of just over twelve per cent in Kennywood this year. At the end of the season, our payroll costs were up 18%. Well, we do have some answers. We think we know what we did wrong, and we're certainly going to make some strides at straightening it out.

One thing that we did do, just to explain that a little bit, if you're in the Personnel Workshop today, and Ray Koons from Elitch Gardens spoke, they went to a double shift situation. We also were trying very hard to reduce the number of hours per host or hostess for two reasons: one; as Ray expounded upon, the employee satisfaction. They were looking for less hours, too. We were trying to accomplish a 40 to 48 hour week, which we stretch out to 50, 60, 70, whatever, and we wanted to make a concentrated effort to get it down within guidelines in case of minimum wage possibilities. In doing that, we did have to rearrange all of our scheduling that had been quite consistent for several years, and we did get a little fat in it. We've determined where it is, and I think we'll make great strides next year.

I would like to talk about one specific ride though. We have a log flume ride. I picked that ride not because I think you're going to go out and buy one, but for us it's a very dramatic, graphic realization of how payroll costs can be cut. When we decided to purchase this ride, we looked around the country at the existing flumes. We were advised by Arrow Development, through their operator's guides and manuals and so forth, and it was determined that the way things had been done up until then, on our ride we would have a total of nine operators. Now, that doesn't include relief. We have two lifts, one spillway, four brakes in the station area, one operator's console in the station area, and because we're generally speaking a ticket operation, we needed a ticket taker. One of our concerns when we purchased this equipment was the size of the crew needed to operate it. After looking around, having Arrow consult with us, we looked at some of the installations around the country. We determined that we could cut our payroll positions or ride positions by three. We eliminated the operator on the number one lift, the operator on the spillway and the operator at the station console. The main way we did this

was we had Arrow supply and we installed a duplicate set of controls in our number two lift tower. The flume was also designed so that the operator in this tower would have a visual overlook of the entire ride, as well as having this duplicate set of controls in front of him. This had a savings of roughly twelve thousand dollars a year. We estimate a position at Kennywood runs us between \$4200 and \$4500 a year. This is based on 110 day season, twelve hours a day, because if it's a position, you've got someone there whether that person's on break or not, and at \$3.25 an hour, which we roughly estimate our costs, including base wage, bonus, FICA tax, unemployment compensation, wardrobe, fringes, parties, etc. So by eliminating these three positions, our direct payroll saving was \$12,000. Our installation cost for the panel was \$4500, and that includes the panel and the installation. We also decided that the flume was susceptible to a flush loading system. All the rides we had seen up until then, people came into the ride in the center. They got out of the boats, exited onto the center, and then were bridged off. We put ramps on both sides of our troughs, and in certain situations it facilitated less payroll. We do have some days when it's very slow. We have days where it starts out slow and then builds up. Rather than bringing a crew of six or seven in, we can operate our flume with two people; one in the tower, one at one of the front brakes, by locking down the back brake. We can operate ten boats. Now, this is a comfortable operation. Ten boats can get 450, 500 people per hour capacity. As the day increases, depending on how we budgeted the day, the weather, a third person might come in. We put them on the unload brake. As the boat would come in the unload brake, the guest would get out to the outside, let the boat go down to the load brake, get the guest into the boat, send it out to the dispatch brakes. We can do this comfortably with sixteen boats and get 800, 850 people per hour. When we reach peak for the day, we're running 26 boats. We're using six people on our ticket days when we have the requirement for a ticket taker, and we average between 1200 and 1250 people per hour.

There was another possibility of using a different type of loading system, but because of our spillway and block system, we can't dispatch boats any faster than roughly nine seconds, even though we can get the people in our boats faster. They can't make it through the block systems that fast. The point I'm trying to make--and I might mention by using this flush loading system, we estimate that our payroll costs are off roughly 8 to \$10,000 additional, by giving us the flexibility. For instance, if we had six people working, we might have no one else on a crew there at that time, whether they'd be on break. We have procedures. If one of our guests were to be injured, they are to be escorted under all circumstances by either a host or a hostess. Someone is going to have to leave their position. You don't want to reduce your capacity drastically, so one of our unload brake operators would lock the brake down. That would allow the guests in the boat to go through the unload brake up to the brake load. They would use the flush loading system. Now, they can't do that too long because you'll kill the loader, but for fifteen, twenty minutes, you can get away with it without effectively reducing your capacity at all.

The main reason that I mention this, again not that you're going to purchase this particular piece of equipment, but I know at Kennywood for many years, the location, the installation, all the factors that determine these things were decided by the upper management and the maintenance construction divisions. By getting

your operational people involved, making them understand the ride, even if you have to send them out to other parks to operate their rides, it's amazing what great ideas they'll come up with to help you install it at very little additional cost and realize a drastic savings. Thank you very much.

CHAIRMAN HINES: Thank you, Harry. Next I want to call on Billy Baxter of Lake Winnepesaukah, Rossville, Georgia, and he's going to give us a talk on the logic of having ride operators initial a daily work report form.

MR. BAXTER: Thank you, Chris. I think ride operation safety is probably the foremost thing that we think about just after we get our customer through the front gate. We took over Lake Winnepesaukah under a lease of the land proposition in 1976. I got started late. Had to build our ride crew real quick, without the proper orientation in a lot of cases. We were extremely lucky to come through the 1976 season with a very good safety record, we thought. Went to our insurance carrier thinking we might get a reduction in the rate. Comes back and he had asked for \$10,000 more money. So somewhere down at the bottom line the money shows.

We put into effect over there a thing that we did in another ride operation we have. It's a simple form that says--it's a printed form that's called a ride inspection. It's dated. It says, "I've inspected the ride or rides that I'm responsible for and have found them to be safe and ready to operate condition before opening today." Have them list it down there, each ride, and have the person in charge take this around and have it signed by the person charged with that ride.

Now, you wonder what this does, whether it's any good or not. I don't know, but if somebody puts their name on something, it at least makes them look at this ride. Now, our maintenance people inspect the ride every morning before any ride operator gets there or anything. We have supervisors. We have our park divided into what we call the Kiddie Hill and what we call the South End--just our terms for it. But we have our supervisors then check each thing. That's two people. But if the ride operator himself, if none other than anything else, it makes him or her, whoever it might be, put their eyes on that piece of equipment if they know that this form is going into a file that could be kept from now on.

If you were to have some kind of accident on anything, then we at least have some printed form that shows that we were trying to keep this piece of equipment right. Another thing about this is--one of the other gentlemen brought up a minute ago in the communication end of it. Our supervisors all carry two way radios. I believe Mr. Howard said they had a telephone at each station. But if we have an accident or anything, we immediately call the office, notify first aid whether they require an ambulance or what they need. And these are just a few of the things that maybe--maybe this printed form can keep our insurance costs down a little bit. I don't know. Maybe it does; maybe it doesn't. Thank you.

CHAIRMAN HINES: I'm going to share with you my experiences. If you're in the ride operations, most of you had accidents, and we've certainly had our share. First thing when we get into court is, they want to know if the ride operator was instructed to operate the ride. That's the first thing they want to know, and that's the first thing that's going to come out in a court trial was that operator, and they're going to get him on the stand, and they're go-

ing to ask him, "Were you instructed and how were you instructed to operate this ride." I think that's a real good deal, and we go one step forward. When we hire somebody to operate a ride, we have a set of rules. It's on maybe one, two, three pages, depending on the particular ride. That's the first thing. Before we even send him out on a ride, he sits down and he reads the complete rules and he signs it at the bottom, one copy for us, one copy for him. He keeps it. There's no question in our mind. And of course we take him out with the ride supervisor. He's instructed how to operate the ride.

If you go to court, and have an accident--the first thing the attorney is going to ask the ride operator, "Who instructed you to operate this ride?" And the first thing that he can come back, say, "I was instructed by the personnel there. I was given a set of rules. I understood them." We can come up with a signed document that he did read the rules, did understand them, and, boy that really helped. And, I'll tell you, this has happened at least three or four occasions over the period of years that we've been in business, and we find it very helpful to have everything written down. That's very important. This verbal agreement, this verbal discussion back and forth between you and a ride operator, in a court situation you might as well forget about it. They want it in writing.

Next I want to call on Ted Miller of Bowcraft Amusement Park, Scotch Plains, New Jersey. He's going to give us a talk on how I select my ride operators.

MR. MILLER: Thank you, Chris. We have a small park, twelve acres, and any success that we've achieved in it through the years--and we feel that we have been successful--has directly been the result of attending workshops such as this for about fourteen years now. In a small park, one must wear many hats and be involved in just about every phase of its operation. One of the most important hats is the one that's worn for interviewing and selecting a team that will bring us successfully through the season and year, and you can see why I need a hat. It's to keep the hair from falling down in my eyes.

As our park is open all year, weather permitting, we do need a limited team to operate in the early spring and fall months. While we prefer our team members to be 18 or over, we do hire some 17 and a few 16 year olds, and we do this because they are still in school, generally high school, and they're available after school and on weekends during the early spring and late fall months of the season, because we do stay open. We'll be open even in December and January if we have a decent Sunday or Saturday when the temperatures are above freezing. We'll run some of the rides. Unfortunately this past season we had ice on the ground when we should normally be open, which was about the middle of February, and we actually had to chisel about six inches of ice off the train track in order to run the train the last weekend of February, and it was the middle of March before we got the ice off the nets that take care of the baseball batting range that we operate, too.

We look for younger people who need to finance their education, and when they have to finance their own education they're a lot better worker than someone who has everything put on the line by Dad or Mom, and they're not worried too much about finances, but those that have to work to get their education, and really want an education, you get some real good workers.

We employ some people over eighteen, too, and at this time we have four people in our employ who are respectively 79 and 80 years of age. Needless to say, that they're not the people who have abused their bodies with tobacco and alcohol. But we do find places for them to work, and it's just wonderful the job that they do. Three of them have been with us part-time all year round for many years.

When interviewing an applicant, we are impressed by one who is well groomed in personal appearance and dress. We do not mean a collar and tie or a dress and stockings, but we do like them to have hair that is acceptable and clean, neat clothing and footwear. We are impressed by previous work that possibly was or will be terminated for honest reasons. We are impressed by someone who is well poised, who talks well, with confidence, and has ability to work with us. We are impressed by those who have had newspaper routes. They make good workers. Baby sitting experience or lawn cutting jobs, these are the go getters. These are the kids that really want to work, and they'll most times turn out a good job for you. We ask them about their hobbies or their sports activities, their goals, their own life and their school grades. And when they start talking about themselves, that's when you really find out what they are and what they possibly have got that you can use. We sometimes get a glimpse of the person that could possibly be uneasy because he or she is on her first job interview. We find that those who have goals, those who are active in school activities, those who have good grades and want to maintain them have proven to be fine team members. Those who are serious about competitive school sports or scouting have performed very well. You get yourself an Eagle Scout some day and you've got somebody who's going to really do a fine job for you. There are a few of them around, and they're looking for work during the summer. I've had particular success with high school track team people, three young men. They're all on the track team in high school. They came at different times. They stayed with me through high school and through their college years, and each one of them was outstanding. They each became one of our managers during the summer months of the years that they were with us. We try to select those who are outgoing, smiling and friendly. We try to select those with whom we feel we can work together as a team and who we would like to have as part of our summer or year-round family, and I tell them that we just don't pick anyone. We pick people that we would like to associate with; that we would like to come and say hello to each morning and be greeted by them and enjoy their company, and we do during the time that we have them. When we lose them at the end of the season, it's like sending your young people off to college for the first time. We make it clear to each applicant that our work is when most other people are playing. The days off are on weekdays, not on Saturdays, Sundays or holidays. We make it clear that while we do have grounds beauticians--that's what we call the people who go around and sweep up the little papers and cigarettes--we make it clear that it is everyone's job to help maintain and keep a clean, neat park and rides. We make it clear that we are actually babysitters to people of all ages. We have to watch them just as carefully as we watch children, because adults can get into the most awful predicaments and injure themselves in strangest ways, and you don't find it out until you run an amusement park. We tell them that we all have one team goal, to see that each customer enjoys a safe visit to our park; to see that each goes home happy and broke.

It's important to get every dollar that they have to spend.

We've only got one shot at it. That's the name of the game. And with the feeling that they have visited one of the cleanest and most friendly parks in our U.S.A.

Now, one more thing. I just put a footnote here. One of the previous speakers mentioned something about getting the young people together. All the young people that work for us in our small park--and at the most it's 50 or 55 during the summer months --are invited to a Christmas party at my home, which is on the premises, Christmas Eve. We have them there from about 3:00 o'clock until 5:00 o'clock. We sing a few Christmas carols. We have some eggnog punch that's not alcoholic. We have lots of Christmas cookies, and we all get together and have a great time. And those who have been in college enjoy the opportunity of getting back together and talking with each other, because they shared a whole summer together. Most times, if we didn't have this get-together, it's very unlikely that they would ever get to meet. This gives them an opportunity and us an opportunity to visit with them, too. And we enjoy probably even more than they do. But we get them on their way--they're all on their way to whatever Christmas activities they have by about 5:30. And we have a small Christmas bonus for them, too, if we've had a good year, which is determined sometimes by what we do in September or October and November. We have a little larger Christmas bonus for them. And it's a pleasure being able to talk to you tonight. Thank you.

CHAIRMAN HINES: We have two more presentations, and after the next presentation, or the second presentation, I'll tell you what we did for our employees this year, which we thought was very unusual. Our next speaker is Dick Frank of Bob-Lo Island Amusement Park on simulating a ride emergency as a training device.

MR. FRANK: Good evening, fellow members and guests of the IAAPA. My topic this evening is simulating a ride emergency as a training device. I'm well aware that one of the greatest concerns we have as owners or managers or department heads is the safety of our guests, but just how far do we go to assure this. If the worst thing happens in our park and we have an accident, do we handle it in a most professional and efficient manner, or do we wonder how it's going to be handled? Can we have an accident, no matter how serious, in our park, short of a fatality, and come out of it looking credible? Today, with our industry expanding as it is, we're coming more and more under public scrutiny. If our guests have an enjoyable time at our park or attraction, they don't hesitate to tell a friend. But even moreso, if they've had a bad experience or an accident or an emergency. Most of us know how to create a good atmosphere that we hope our guests will tell their friends about, but how many of us aren't sure of what might be said after our guests have experienced an accident or an emergency.

Usually a sizable accident will automatically attract the news media. One of the first things a reporter wants to do is talk to one of the parties involved in an accident or an emergency, or a bystander or witness. They may be hard to find at the moment, but if the reporter has to, he'll call their home. Just what might these parties have to say to the reporter? Well, it depends on the time that they've had in your park. If they've had a good day, you might get treated properly. If not, the situation might become very, very nasty for you. If the ride operators are efficient and then all emergency plans are carried out to the letter by the department heads, chances are pretty good that the least amount of bad-mouthing can be expected. But on the other hand, if the

emergency has been handled poorly and inefficiently, we can expect a lot more is going to be made out of the situation than really happened.

With these things in mind, let's take a look at the possibilities that might help overcome the problem of bad publicity due to lack of efficient emergency action. Many large parks have sophisticated safety, first aid or emergency staffs; but no matter how big the park or attraction is, we can all help control the amount of bad talk, bad mouthing, what have you, that occurs after a specific incident. Most of us have programs to instruct our operators on how to properly operate rides and what to do in case of an emergency, but is this enough? If an accident happens, will the ride operator call help or panic? Will he or she call the right person? Will other operators move in to keep the crowd back and tend to the injured until the help arrives? We talk about these things over and over again, and in many instances hope that everything works out all right.

What I'm going to suggest this evening is that we do what school, institutions and rescue squads have been doing for years--hold drills. Yes, actually go out into your parks and see what is going to happen during an emergency on one of your rides. As a manager, general manager of park, I have a lot of other things to worry about during my day, and one that I don't really want to have to worry about very often is how is an emergency going to be handled. After seeing a few bad incidents, I decided to take this action myself and institute a program of drills whereby I go into the park, after organizing this with the operations department, seeing that first aid and maintenance has been notified, ride operators, ride managers, zone leaders, and we go out and create an emergency and see how it's going to be handled. We can talk until we're blue in the face and still hope that we have been understood. If we stage an emergency and show our employees how to handle all situations by letting him participate, we'll stand a much better chance of being successful. I don't mean to have ambulances and nurses and safety people running all around the park or moving all around the park while you're in operation. It has to be better planned than that. But prearranged, as I said before, with operations to hold a drill at a given time. The time may be prior to opening or during a slow period. All the employees should know that the drills are going to be held. There should be a fair amount of surprise to the drills so that it isn't just taken too lightly.

I found by coordinating with ride operations, managers, ride supervisors, zone leaders, we can move the ride that we'd like to drill and hold the drill smoothly. What we are looking for is to see that the ride operators don't panic, and security and first aid are called immediately, and then the ride operators take positions to assist our guests and politely help them, calm them, and make sure that emergency services can arrive on the scene of the accident without having to fight their way through crowds of panicky people. I don't recommend moving an ambulance to the scene, but security and personnel and maintenance should show up. The operators' knowing that these people can come quickly will make them feel quite secure. They know that they aren't going to be left in control of an uncomfortable situation for very long, and this is very, very important. These are young people who we hire. All of a sudden, they are thrown into an emergency situation that we think we've explained to them, told them how to handle it. But then it happens. What are they going to do? Are you really sure

that we aren't going to have four or five operators moving to do the same job? Will they spread and do what they're supposed to do?

The time being so short to discuss such an important topic, let me relate to you an unfortunate accident that we had because of the drills held, we did look credible. I was very pleased with the way our operators, security, maintenance, first aid personnel handled the situation. Some of you may have heard of the coaster accident that we had at Bob-Lo this summer, and it very definitely was twisted out of proportion by the news media. It was twisted as far as the danger or how drastic an accident it was. I can assure you that there was a lot of nose bleeding, split lips, bumped knees, but that was about as serious as the accident was. We had the coaster jam in the brakes, J-bar came loose, it tilted, came into the brake and it stopped cold, and fifteen people were injured. I'm very happy to say that our ride operators moved very quickly in many directions so as to keep people from coming in the exits, coming up the entrance ramps. The phone was picked up. The right calls were made. The other operators managed to get to the train, which was way out at the end of the brake system, as some of you know, and were able to calm most of the people that could not get out of the train because of the automatic lap bar, and those that did come out from under, they were able to walk them in and have them under full control. I was really pleased to see it happen. If I hadn't had the drills, I don't believe we would have had that type of reaction from our people.

Now, of course, we're a unique park. We're an island. We have to bring emergency equipment, other than our own, over by barge with a tugboat and a barge. Everything comes on and off our island this way, so we have kind of a critical situation. You can't fool around. Calls have to be made, and unfortunately, as soon as a call is made to the mainland and we notify an ambulance service that we have a problem, it goes on the air and every news media in the area, which is both Detroit, Michigan and Windsor, Ontario, come to find out what's happened. So the least amount of delay or problems that we can experience, the better the reaction from the press is going to be. And regardless of how much bad mouthing they gave us because of that accident, they were not able to criticize us in any way for the way we handled it. We were able to get the ambulances over and get those people who had been injured off the island, get them taken care of. And, believe me, there wasn't much to take care of them other than taking them down and having them checked out. But still, when you see this kind of people being moved, when you see three ambulances moving in and out of your park, it's a frightening experience for anybody. But rather than not do this, maybe the thing to do is to notify--maybe we shouldn't move quickly and take people off by ambulance, just to use our own--take them to our own first aid facility, which is pretty good. But that's a decision that gets left in my hands. In this particular case, the one that I made was to immediately contact the stateside or the mainland ambulance service and have them come over, because when I saw that many people hurt, not knowing the extent of the injuries, I said, "Get them. I want them for back-up." And they came, and things just fell in line perfectly. It was because of the drill, because our young people followed through with the experience that we had given them on the ride itself. We'd gone out with them and said, "You have an accident," and watched them move, watched the phone come up, watched out that one knew to pick up the phone, one knew to go to the entrance, stop people from coming in, go to the exit and stop people from

coming in, go to the accident and assist people, calm as they can, until security, first aid, maintenance arrived on the scene to take care of it.

Now, in this talk, I made a final note, and it said don't just hear what I've said. What I suggest, that you go back in the spring, or whenever you possibly can, go out into your park and see yourself what might happen if you have a ride emergency. If there might not be a possibility for you to drill, hold some drills on your various rides, especially your most dangerous rides, and see if that won't help you to sleep a little better at night. Thank you.

CHAIRMAN HINES: Thank you, Dick. I want to see a show of hands of those who had press people at your park the day after Six Flags' accident.

Well, they were out to my park the next morning--two television stations, newspaper. They wanted to know what I did about ride safety. They really caught me off guard. I thought there would be more hands, because I'm a small park. I thought that most of your larger parks might have gotten a lot of publicity. We felt like we did because of somebody else's negligence. But still, again, we don't know where to point the finger, and it's something that we're all going to have, and it hurts. All accidents hurt every park.

Let me tell you about what we had, and it turned out to be a pretty nice accident. We have a Cyclon roller coaster. The roller coaster car went down the dip. Something malfunctioned underneath the car. The two car train went up the steep hill and stopped on the embankment with eight people aboard. Of course, with no provisions to get the car over the top, we had to call the fire department. Well, five minutes after this accident--it was really not an accident--but after this happened, we had a power failure. Thank God for that. The next day on the front page of the El Paso Times it had a picture of our roller coaster with a fire truck reaching up to get the people out. I had our management people up there. "Roller Coaster Gets Stuck Due to Power Failure." Fortunately the people didn't come ask us what really happened. They just figured it was a power failure. Next, Dick Boyce of Roseland Park, Canandaigua, New York, cutting down turnover among my ride operators.

MR. BOYCE: Chris mentioned that he used a lot of printed forms, and this may help you, also. We have printed forms and handed them out. We found that we got the best retention of what they said, at least for my people. We had them printed in braille. Now, if that helps you out or not, I don't know. We're a small park in Upstate New York, and one of the things that we have tried to keep our people for the whole season, in addition to the parties and other types of things, has been each year for the past three seasons I take them to another amusement park. In this case we have visited Cedar Point in Sandusky, Ohio twice and Dorney Park in Allentown, Pennsylvania and Hersheypark in Hershey, Pennsylvania. Now, each of these are about six to seven hours away. We leave at four o'clock in the morning. And we pay when we go to Cedar Point, so we're just customers there. But the Hersheypark let us in for nothing, and so did Al, so we were guests there, I think.

We go on a Friday. As a rule, it's the Friday before the

Memorial Day weekend. This is the only time, inasmuch as it's early in the season, and most of my help at that time are high school students, and the school lets them out for the day without penalty. The school loses no state aid because of the loss of attendance because they consider it a field trip. Now, I give each of my employees small business cards with our logo and their name on it, and they're printed by a professional printer, and I tell them, "When you go to these other parks, talk also to the people who have a similar job that you have," and it's amazing how the bigger parks that have a lot of female employees, all the girls get all the cards. I never figured out why that's true. But I require as a condition of the trip two things: one, they must come to work or go to school the next day, if it happens to be a school day, or employment is terminated; and I also require within a week that they hand to me a written report, of which three may combine their efforts, to share with me their experiences two ways--what they thought, personal observations of the trip as far as visiting another amusement park, and what things they saw that they can relate to our park as far as something new we might do, or something they think they learned there that they would like to try.

We've done it for three seasons. It costs us around \$2,500 to do it, but I don't think it costs any. I think it pays, because your people who work for you never have this other opportunity unless they go on a vacation in the winter or something like that. And we found that this has been one of the things our people look forward to, whether it's a repeat employee or whether it's someone new that's coming in for the first time. They've heard about these trips and they look forward to it, and I think it's helped us. Thank you.

CHAIRMAN HINES: Thank you, Richard. We did the same thing. This was our first year. At the beginning of the season, we asked our employees this year, "What do you want? We would like to keep you all season." Our season starts in March through October, the end of October. As you well know, around August, the end of August, the first of September, they all leave you. And we had the problem of rehiring, and we still have a good September, and we do have a fair October. So we wanted to keep them around. But we asked our employees.

Now, to give you a little background on our area, we have a lot of Spanish-Americans. 60 to 65 to 70% of our trade in our park are Mexican people that come over the border, Spanish-Americans from El Paso, very low income. El Paso has the highest unemployment rate in the nation for the last five years. We really didn't know how we wanted to keep them on. We wanted them to stay on, but it was always school beginning, football, lot of school activities. So we asked them at the beginning of the year, "Would you rather have a raise, a bonus, or would you rather go to another amusement park?" They all said they'd rather take a trip. I asked a few why. Unfortunately, we're in such a bad area, they told me that they shared their checks with their parents. A lot of them said they gave 50% to 100% of their money to their family to support them, and they felt like this would be something that would be all of theirs. They wouldn't have to share it.

So we decided the week after we closed that we'd take them to Six Flags over Texas. The buses cost us \$1,800 apiece. We had two buses. Six Flags charged us a discount rate, I believe, of \$5.50. They left on a Saturday night at nine o'clock and were at

the gates at Six Flags Over Texas ten o'clock in the morning when they opened up. We're about 600 miles from Dallas. Texas is a big state. St. Louis, Missouri is closer to Dallas than El Paso is to Dallas. Now you figure that one out.

Well, they enjoyed it. We got a lot of comments. Okay. So it cost us about \$5,000. Most of them are coming back next year. They saw another park. They saw the cleanliness. They saw the employees, all the things that we've been trying to stress in them all year. They saw it in another park. One fellow came up to me and said, "Boy, it sure is nice to have somebody else waiting on you." So I don't know. We're going to try it again. Really, it didn't do the job that we anticipated it would do. We told them at the beginning of the season that we were going to do this. We were hoping that our turnover at the end of August and September would not be as great. It really didn't help. And you know why? Because they didn't believe us. They did not believe us. They thought we were pulling their leg. They thought that it was something to make them stay on. So next year we're going to try it again, and we think our results might prove a little differently, and I hope that next year I can come back here and say that it works.

They really enjoyed it. They had a good time. They brought two buses back full of plush. It was really unbelievable. They got to see how another park operates. A lot of them come back with ideas. One boy came back, said, "Gosh, I know a better way to operate this ride now." We're going to listen to them. We're going to take their ideas. We're going to make them a part of our park. It's something that you might try. We're a long way from any other parks. Six Flags is the closest park. Most of you are closer to other parks, so it probably wouldn't cost you as much. I think it's something that you certainly would benefit in the long run.

That really ends the workshop, but we're going to open it up right now for questions. Are there any questions for anybody? Yes, sir. Do you want to direct this to anyone?

A VOICE: No one in particular. We're all park people. But I think the point is that all these kids like no hands stuff. It should be stopped by the parks so it doesn't spread all over. I notice in our place what they do over on the roller coaster, and they get banged around a little bit. Now, if they'd hold on to the bar like they should, we wouldn't have this problem. But the thing is they see everybody else in the other parks getting away with it. It's bad for all of us.

CHAIRMAN HINES: What the gentleman is trying to say, in other parks and his particular park, he notices the kids in the roller coasters are holding up their hands and doing things that are done in other parks, and is there something we could do to prevent this from spreading around to your particular park. I'll tell you. Everybody holds up their hands on a roller coaster. I don't know how you would do it unless you handcuff them to the seatbelt. But it's just something that they do, and I think if you took it out, you'd be taking out part of the ride. But I understand your situation. It's something that they all pick up ideas from other parks. And they come to our park, and we notice certain things that happen at our park that they probably did in another park. I don't know if there's really anything we can do about that, but maybe somebody has a suggestion. Is there any other questions, comments?

You know, we've got a lot of things facing this industry, and the reason why we didn't talk about the new safety thing, we've got a workshop tomorrow, the ASTM/Ride Standards Development Workshop. And I want to tell you right now, you better be there. It's affecting you. You're going to let a handful of people write standards for your park. I'm not particularly in favor of it, and a lot of the park membership feel the same way. But we've got government controls that are inevitable. They're coming. They're in every other industry, and I'm not willing to just sacrifice it. But it looks like we're in for it.

Insurance is going to be another big problem. Electrical consumption. Inflation. We've got a lot of problems ahead of us, and I'll tell you--it's going to take an organization like this, that all of us stick together. You take the people up there at AMOA. They got a problem with ASCAP, \$3,000 a year on jukeboxes. They want a list of locations where every jukebox is. They want to know this, they want to know that. They want this, they want three dollars, and nothing to say that they can't raise it. This is governmental control. The government's controlling ASCAP on this particular item. Is it going to hit us? It looks like it's going to be. The Consumer Product Commission, we've been through that. We're going to have to stick together. We're going to have to get out there and inspect them more often. Going to have to be more careful, because times are changing, and they're going to really change in the next few years. Any other questions? Yes, back there.

A VOICE: I'm curious with the drills at Bob-Lo if they were done at a time when operations were going on. I was just curious about the public's reaction.

MR. FRANK: We do them both times. I've done them prior to opening when I have all the employees in, and I've done them during the time when we have public in the park, as long as we're not overloaded with people. If we're jammed, naturally we can't do something like that. But if we're having a day when it's not too jammed, we do it. As far as the reaction from the public--and this is one of the reasons I suggest you don't start moving an ambulance. You can move security people, you can move maintenance, you can move first aid, but moving an ambulance of course excites a crowd right away. Everyone wants to follow it. But you move these other people, and if they question what you're doing, tell them exactly what you're doing. Tell them you're holding drills. They're all familiar with fire drills. They've seen a lot of people saved with fire drills in schools ever since they started school. We are doing this to assure ourselves a smooth operation. Of course, we don't want to start a lot of talk and a panic. We're doing all these things because of all the accident's you're having, because it can make it work the other way for you. But if someone asks, don't play games with them. Tell them for your safety we do this to better inform your operators and assure ourselves you're going to have a better, safer day.

A VOICE: As far as your drills, et cetera, if there is an accident in your park, do you encourage your operators to perform first aid on the injured?

MR. FRANK: Absolutely not. We have a first aid staff in our park. There are registered nurses there. But we do encourage them to do is to be there to make sure that they get there. There may be a way to attend that person, keep the crowd off him, keep somebody

from making a wrong move in that park. One thing you're going to find, if you don't know it already, that these guests who come into our park, they're concerned that we're concerned about them. There is nothing like you being there showing concern for that child who maybe is injured in the smallest way, that you the park manager, or your first aid, or your security, your maintenance, whatever you are, be there to be concerned about that person. If you're a parent--a lot of you are, most of you-- and if you are in a park or anywhere else and your child is hurt or you yourself, you certainly feel a heck of a lot better if the management, if the park people are concerned, or wherever you've had your injury, that they are concerned. You must show these people. They're going to come back. They can have an accident in your park and be back there as quickly as they can if you show them some concern. But if you don't, you can darn well rest assured they're going to go to somebody and tell them that this happened and that happened, and it's going to become a monster. But no, we do not allow our ride operators to assist first aid.

MR. BELL: Thank you, Chris. I just want to clarify one small point about the word inevitable. As most of you are probably aware, we at the Bell's Amusement Park have been very active in the fight against OSHA. We don't feel that OSHA is inevitable, and we don't feel that any more government regulation is inevitable. So we're fighting it right now. We have a suit in District Court against OSHA, against the rubber stamp warrant that they're issuing now, and we're fighting it on that level, and I think we have a real good chance of winning. We'll keep you posted on that, and maybe we can give you a good report later in the year. If not, then it will be the next convention. But as regards the CPSC, we don't feel that government regulation is inevitable. We don't feel that increased taxation is inevitable. You just ask people in California about Proposition 13, and they'll tell you it's just up to the people, like you say, Chris, to get together and say enough is enough, and we don't want anymore taxes or regulations, and we're going to fight them at Bell's Amusement Park, and we'd like everybody else to do the same.

CHAIRMAN HINES: I agree with you wholeheartedly. As long as we can keep the government out of our business, I think we're going to be a lot better off. And I'll tell you, it's going to take all of us. It really is. Everybody attend that meeting tomorrow, and let's get some input into writing regulations. They're writing regulations now for you and me and all of us, and I think we better give some input from you folks. You're the ones who are going to have to stick to this thing if we go, and I don't really know whether we ought to go at this time. But we'll see.

MR. HOWARD: I wanted to just take a moment--of course, there are always two sides to the coin, and thank God this is America and we can all think what we want to think. I think we should look at both sides of this, as it's a pro and con issue. I would like to ask how many out there had one insurance inspection this year.

Okay. How many had two insurance inspections this year?

The hands are getting less. How many had three inspections this year?

They're getting less. How many had four inspections this year?

They're getting less. There are four hands up right now. At

Libertyland we had six insurance inspections in our park, and we loved them. We loved them. In answer to government regulations, in answer to ASTM, I think that we, the operators, are the people to clean up our own back yards. Let's make our rides safe. Then we wouldn't have to have somebody controlling us.

CHAIRMAN HINES: Thank you. Question back there?

A VOICE: We had them every week. Every week we had an inspection.

CHAIRMAN HINES: Inspections every week. I think that's great. Now, let me tell you something. We can talk about this all night. But getting somebody else in your park other than yourself looking around--your fire inspector, your insurance inspector, your reliability inspector, your insurance carrier. Let him go through your park. You know, you go through it; you don't see the things that they see. And I'll tell you, I've had inspections before, and I'll tell you, after he gets finished I've got so much work to do, I don't know where to begin. And I'll tell you, you get somebody else with a different light on your park, who maybe has not ever seen your park before, who doesn't come to your park, and let them go through and take each ride and let him jot down notes. He doesn't have to be an inspector. He could be a husband, a housewife, anybody, a teenager. You'd be surprised how many things you'll find in that park that you didn't even think about. So I think it's important that you have somebody go over your park, an outsider, not somebody that's going to say, "Oh, your park is fine. Here's a bill."

MR. FRANK: I'd like to make a comment. I hope that nobody would be foolish enough to do it, what we ended up doing this year as far as inspections go, and I'm going to tell you about a mistake we made, because I hope you'll all benefit by it if it ever happens to you. We not only had our insurance inspectors this year, but we, being in the middle of the Detroit River that we are, we had the COAA, the Canadian Outdoor Amusement Association, available to us, and we had them come down and inspect as well after that coaster accident, the press all over our back. Baldwin Township that the park lies in started to ask us questions about inspections, and they are looking for provincial inspection up there. Nobody will pick up the ball. They're all afraid. Like the building inspector says, "I hope they don't come to me. If I come into that park and I inspect your rides and somebody gets hurt tomorrow, I'm out of a job the next day."

And I said, "Yeah, you're right." What happened is we had a very thorough inspection. They wrote everything down. They brought the report to me. We went over it. And, of course, on the bottom of the reports were footnotes, a lot of little things that needed housecleaning--as Bob said, a lot of little housecleaning needed to be done--and the township started to put pressure on the owner of the company. They wanted to see the ride report. They called me up and said give it to him. Don't ever turn a ride report that hasn't been sophisticated or broken down or redefined--turn it loose to a township that's going to have an open meeting with the press there, end up giving a copy to the press and have the press to look, because every nut and bolt becomes a defective ride, and they did that to us. They put headlines in the Windsor Star and said, "Twenty-Six Defective Rides on Bob-Lo." It was wonderful. I really needed it. And, you know, you think nothing like that could happen to you. We were being the good guys. They wanted it. They didn't want us to hold the report

back. I wanted to hold it back, but I was overruled when it was given to them. And they sat in the town meeting. The press came up and said they wanted a copy of that. They looked at every little nut and bolt. Every time that there was a crack in anything, no matter how simple it was, it was a defect in the ride, and that was the kind of publicity we got. So if you have a ride report, make sure that the one you give to the public, the press or the township, when they want to see what kind of ride report you have--make sure that the ride report they see--you know, I'm not talking about phony one up for them--but I'm talking about you're giving it to laymen, and that's how they're going to treat it. Just a word to the wise.

CHAIRMAN HINES: Any other questions? Yes, sir.

A VOICE: Just one more thing, Chris. We were confronted at Bell's Amusement Park shortly after the Six Flags accident by all the press. They wanted to do an interview. We gave them an interview. I went in the park with the press people, and it was on TV, and we went on the offensive. Rather than take a defensive posture, we went on the offensive and we explained how safe amusement parks were, how we were the safest carrier in--how could I say it? Anyway, the point that really came clear, and it just glared out in the news coverage, was that it's safer to be on an amusement park ride than it is to ride the school bus.

CHAIRMAN HINES: Dick Coker was the first one. The first thing when you expect friction, the thing to do is to turn the whole thing around and start talking about the positives, and that probably will be the thing that will come out in the paper, because if you talk about the positive, well, how you had an accident, talk about the amount of people killed on amusement rides in comparison to other industries, and how many people you rode last year without any accident and the safety features that are on amusement rides, different things, he'll probably go back and write a positive article rather than a negative. But you sit there with hands up and say here comes the press, I'm ready for them, come on boys, they're going to get you, and they're going to take you through the wringer.

A VOICE: That was exactly the case at our park, that we came out of the incident with really good publicity. I was very sorry for the Six Flags people. I was also sorry for both of our skyrides which suffered because of it, but the other rides they would ride on, and we had a very good season. You just keep that in mind. We've got a good track record. I know we do at Bell's Amusement Park. I don't know who said it but clean up your own act. Do that. We've got a good record to brag about, and keep up the good work.

CHAIRMAN HINES: Any other questions?

MR. FRANK: Yes. I hate to take all the time up here, but I'd like to comment on the same thing, since I happened unfortunately to have had the experience with just exactly what Bob was talking about. After about three or four days of punishment from the press, we invited the press down to the park, and they came. Now, the first time they came in helicopters, but the second time they came in cars like gentlemen.

And actually came in and rode our rides, and I rode with these commentators, and they went back, and we had about four prime

time advertisements free on positive park--you know, just exactly what Bob said. The roller coaster, for example, we were able to show them that seven million people had ridden that roller coaster, and the accident level was so small you could hardly measure it, and they showed that, and they also showed the flume and things like this. And the ending of the story was Bob-Lo is alive and well, and they read off the safety record. Don't be ashamed of your park because you've had an accident. Don't be ashamed because you've got a ride that needs a little repair. Repair it. Make sure that anybody can come in your park at any time and ride your rides, and let the press come in there. They're going to give you a lot of free space. Don't be afraid of these people. It's just like your dog biting you, you know. He smells the adrenalin in you. Well, these reporters are the same way. They know if you're not ready to have them walk in your park, and if you're putting up a defense mechanism all the time trying to hold them off--have yourself in a position on the offensive, just like Bob said.

CHAIRMAN HINES: I think the worst thing a reporter can say on an interview on your accident is a park had no comment. Well, I disagree with that. I think you better say something, and it better be on the positive side, because they'll hype that no comment up to where you wish you'd said something. Any other questions? Okay. Well, that's going to conclude the workshop.

Now, we've got something coming up right now, and that is the After Hours Party. And I'll tell you, if you haven't been to this, you better go, because they've got some good entertainment. Tomorrow at the Promotion Workshop, I'm going to give you all a promotion that will blow your heads off, the Great Jell-O Jump, so be there. Thank you.

... The workshop was concluded at 10 p.m. ...

ENTERTAINMENT WORKSHOP

TUESDAY, NOVEMBER 14, 1978

FULTON, COBB & CLAYTON ROOMS

The Entertainment Workshop convened at 8 p.m., Walter Heeney, AMUSEMENT BUSINESS, Nashville, TN, presiding.

CHAIRMAN HEENEY: Our first speaker tonight is probably familiar to most of you in this room. He's Paul Crabtree. He's spent about 15 years on Broadway, first as an actor, and then as a producer and a director. He's best known, really, for writing and directing live entertainment shows, which have appeared at parks and pageants. He is known in the theme park industry for having written most of Opryland's live shows. He's also written, directed, composed and choreographed musical productions for Circus World, Marineland of the Pacific, and Hersheypark.

He and his partner, Marion Levine, currently head up Stage, Inc., which creates original scripted shows for theme parks. Paul's subject this evening is, "Live Entertainment - The Big Difference."

MR. CRABTREE: Thank you very much, Walter. Depending on how you take it, I have some good news and some bad news. I believe that the 1977 park season was the last season that the park business

enjoyed the luxury of being the newest and only game in town, and I think that the 1978 season reflected that supposition with a slight decline in business at the turnstiles of a lot of parks. I think this was a turning point; that this was a date of maturity. We now find ourselves in the better-mousetrap business, and we're going to have to get to work for a change.

Most of us work in parks that have taken shape in the last 23 years, since Disneyland opened. During those years, we've seen the map papered with new parks and old ones revitalized and, now, since imagination and experimentation can be costly, so often these parks are built and operated on the formula - if it works for one, it will work for another. Hence, an awful lot of our parks are full of imitations of an awful lot of other parks.

But now we're no longer the only game in town, and the newness of the park concept has lost its luster. We're no longer exclusive or novel. Now, the prime problem is, how do we compete with each other? We all have, basically, the same rides. How many ways can you go around and up and down? We have the same foods. How many ways can you cook a hot dog? We have the same souvenirs. How many ways can you shape a hat? Basically, we have the same look. How many ways can you make a facade charming? What can we do to give our park a personality that will draw new business, increase repeat business, and stimulate our patrons to stay longer?

I'm convinced that at least one answer is in the quality of live entertainment. Now, there's nothing new in putting live entertainment in a park. It's been there from the beginning. But there is something new in recognizing that quality live entertainment is a thing unto itself; that is, in a park. It is a new form of show business, with unique problems and unique objectives that demand a specialized kind of creative showmanship.

Of course, we've inherited a great deal from all other show business media. We have the limitations of time that television and radio have. We have the repetition of Vaudeville. We have the talent sources of stock and colleges and community theaters. We have the mass audience of the movies; the strolling throngs of the carnival and the spontaneity and intimacy of a legitimate theater. But like a junkyard dog, we have a little bit of a lot of grins in us. That's what makes us distinctive.

Our maturity and our competition, now, demands that we meet the creative challenge before us with imagination, originality, showmanship, and identity - identity that sets us apart from all other media, and from each other, and if we achieve this, we will not only stimulate our own business, but also the business of the entire park industry.

Now, there's no question about it. The parks have the best entertainment buy in the whole world. If we want to keep it that way, we can no longer look at our live entertainment as a by-product or an after-thought. I don't necessarily mean more live entertainment, but I do mean more quality - quality that sells tickets and ups our per capita quota.

I put live park entertainment into five categories. Number 1 - "Platform entertainment." That's your rock groups, Dixieland, Oom-pah bands, bluegrass groups, queue-line puppets, strolling characters. They serve the purpose of creating an atmosphere and,

certainly, they're part of the total park picture, but I don't believe they sell tickets. I don't believe anyone chooses one park over another because of their platform entertainment.

The second category would be star attractions - big-name individuals or groups. They're there for the purpose of hiking ticket sales, and some of them do that for one day. But I think most star policies are the result of the lazy p.r. man, or the manager's instant solution to almost everything. Sit down and think about it; the star is the attraction, not the park. The institutional reputation of the park must be developed, sold and maintained, not Dick Clark or Shaun Cassidy.

Then, there's the straw-hat-and-blazer show. This would include the small-cast, quickly put together reviews, small magic shows, gay nineties, community sings, and so forth. These are a way to have live shows to publicize and picture on your brochure at a small cost, but the pictures are so often better than the show. The problem with them is that everybody has them. They're not distinctive and they don't sell tickets.

The fourth category--some of these other speakers tonight know more about it than I do. That's what I'm calling special attractions - ice, roller skating shows, water shows, light shows. I don't really know much about them, so I'm going to leave their description to the other speakers.

The fifth category I call the "scripted concept show," and I'd like to spend the rest of my time talking about this category. When I say that live entertainment is the big difference between parks, I have in mind the quality scripted concept show. Let me define what I mean by that. I mean, a show conceived and staged for a particular facility in a particular park, so that it utilizes the tools of showmanship. It requires the audience to sit down and listen to it in an atmosphere conducive to sitting and listening; a show worthy of the audience's time and attention; a show that gives them an experience that they won't forget and that they can't see anyplace else in the world. And when this is achieved, we give them something to talk about. And therein lies the whole story of new and repeat business and of extending their stay in the park when they come.

It adds up to more box office and more per capita income. A bad show is worse than no show, in my opinion. And in my opinion, we must re-evaluate the entertainment dollar, now, and spend it where it sells tickets.

When I hear a park customer say, "That show alone is worth the price of admission," then I know that we have done our job well, and I heard that said the first time seven years ago, after the opening of "I Hear America Singing," at Opryland. That show just finished playing its seventh season, playing at capacity of over 11,000 people a day - almost every day since it opened. That is about 8,000,000 people.

I went to work for Opryland one year before it opened. The site was a mudhole. My background was 35 years in the theater, radio, television, and movies. And I discovered that 35 years of experience is not quite enough to cope with the park problems.

Mike Downs, the original general manager of Opryland and the man I feel responsible for its success, contacted me. I knew noth-

ing about the park business. Mike said that the theme of the park was, "The Home of American Music." Now, in my naiveness, when Mike said, "Shows and music," I thought of musical shows as I had known them in the theater, with scripts, scenery, costume, lights, and with an emotional impact.

I accepted his offer gladly and, later, I was very surprised to find that only one of the four show facilities was enclosed, and that that was the smallest one - 150 - and the main show building, the American Music Theater, was to have a roof over it, but nothing else, and the stage was to be a little more than a speaker's platform. In fact, that facility was first planned as a medicine show wagon, with two or three pickers and singers performing on the tailgate.

But my point in telling this is that my feelings of the reputation of a show park was not the master plan of anybody. It grew out of a set of lucky circumstances and discovery. My inexperience in the park business turned out to be an asset. I didn't know enough to copy or imitate. And, fortunately, I was working with a general manager who inspired me and had the guts to make a few changes along the way and go along with me.

The first year, "I Hear America Singing," was performed with white shower curtains over the entrance and exit openings. The noise inside the building was worse than out in the park. The lights were there, but they were useless, because it was daylight inside. The acoustics were those of an empty warehouse. It took two more years to get doors on the building and sound-proofing on the walls, not to mention adequate sound systems for that show and the other three shows that we did.

It was not until the third year that the facilities and the equipment were adequate for the show's potential. Nobody had the vision or belief that "I Hear America Singing" would still be running today.

During my four years at Opryland, I created 12 shows. Not all of them were successful. In fact, one of them had to be drastically changed twice, that first season, before the show and the facility got together, and I learned more from that one show than I did from all the others. And the results were that the shows that followed, or versions of them, are still running after four, five, or six seasons.

My friend, Ray Canada, vice-president of Opryland in charge of marketing, says - and I quote - "There's no question about it. The five shows at Opryland - and especially, 'I Hear America Singing' - are responsible for attracting visitors from all over the world, and almost totally responsible for repeat business." And he gave me some figures to back that up.

Business has increased every single year since Opryland opened. In 1978 - just this past season - 51% of the total attendance was repeat business. They asked their customers, "Which activity did you enjoy most?" 30% said, "Rides." 58% said, "Shows." 72% of their total audience saw from three to ten shows and, the most startling figure of all -- 75% of the audience was over 18 years old, and 47% was from 36 on up.

Contrary to popular belief, parks are not just for kids. They're for adults, too - if the adults have something to do.

After leaving Opryland, Marion and I formed Stage, Inc., for the purpose, principally, of putting on shows in parks, and for the past two seasons, we've enjoyed a fine association with Hersheypark. We've created three new shows for them, and I'm happy to say that we're working with them again next year.

Let me say, in closing, that it takes a great deal more than money and talent to develop a concept quality show. First, and probably most important, it takes a good solid working relationship between the management and the creative talent. Now, to achieve this, what the talent and the management must do is understand and respect each other's position and contribution--to create a common effect. A park show is a fragile task. It's easily destroyed. The creative talent must understand the economics and the schedule of the management's operation and their place - the show's place - in the whole park picture. The creative talent must understand the atmosphere of the park and the audience that patronizes that park. It's not the same in any two parks, and they must design their shows accordingly.

The management must understand that a show is seldom better than the facilities and the equipment, and that business ethics affect the show. The economics require that we utilize inexperienced young talent, and this is good and there's a lot of it. But we cannot expect them to perform under adverse conditions. That would defeat Liza Minelli or Sammy Davis, Jr. We must provide them with the tools of the trade to help them be good.

Both the talent and the management must be sensitive to the audience. They are often forgotten. What is it all about, but the audience? You can't expect them to see a show and enjoy it, when they can't see or hear, or if they're too hot or too cold or sitting on a nail. You must create a show atmosphere for the audience, and it all starts back to the drawing board.

Our shows must be given a place they've earned in the park's expansion plans and in their capital improvement budgets in proportion to their proven worth to the park.

When the creative talent and the management are a partnership in the creation of a show, something wonderful happens - a show of quality and content. And when that happens, you've not only built a better mousetrap, you'll catch a better mouse.

I'm thoroughly enjoying my experience in creating park shows. I'm enjoying it more than I ever did Broadway or Hollywood. I love to see a lot of people entertained. Now, some of my Broadway colleagues look down their sophisticated noses at what I'm doing. I get a great deal of satisfaction out of telling them that more people see my shows in one season than all of the shows on Broadway combined in an entire year.

Ladies and gentlemen, I believe we have just scratched the surface. And the good news is this is where live entertainment is going. In five or ten years, I don't believe that there will be a single show on Broadway, as we know it today. Brilliant young lawyers are taking care of that.

The parks will be full of shows, and the future is challenging and exciting, and the possibilities unlimited. If I said anything to stimulate a lot of questions and discussions, I'm delighted, for this is a subject I love to talk about. Thank you.

CHAIRMAN HEENEY: My next speaker I've known for a number of years and I can truthfully say he's all wet. I can say that literally, because he's been involved in water shows for as long as I've known him. Bob Maxwell, from Maxwell Water Shows, and his wife, Norma, were both National World Diving Champions. For years, they had a water show which toured with sport shows in arena facilities.

However, in recent years, he has combined show business and high-diving. They put together a show which has currently been appearing at 11 theme parks and tourist attractions throughout the United States, including the Six Flag Parks, Great Adventure, Hersheypark, Lake George, Pontchartrain, Lagoon, Sea World, and many others.

You've probably seen his show on ABC's Wide World of Sports. It's an annual event, now, on ABC.

Bob is going to tell us how you can use this unusual form of entertainment in your facility.

MR. MAXWELL: Thank you, Walter. What Mr. Crabtree has said, ladies and gentlemen, is exactly true. Live shows in the park field today are urgently important to bring not only entertainment to the family and, possibly, repeat business to parks, but to get the reputation of the park on a very high level. In other words, if you present to parks a show that can excite your audience, that not only can make your family happy but go out of that particular show and say, "Boy, that was a heck of a show. It was put together well. It ran well. It was exciting." That's very, very important to you. It's very important to us in the special attractions field.

Mr. Crabtree's efforts at Opryland and Hersheypark are well-known. We're very pleased to be here on the podium with Mr. Crabtree and the others who are going to speak tonight.

Mr. Crabtree mentioned that entertainment was important. Well, we believe that sports is one of your biggest concepts in this television market and in the entertainment field today. In the theme parks, there haven't been too many sports presented, but wherever they have been presented, they've been pretty successful.

About six years ago we were asked by the man who created Great Adventure in New Jersey to come up with a diving show. He saw divers on our Wide World of Sports program participating in world championships. I think he also saw our show at the Pier in Wildwood, and he asked us to put together a water show for Great Adventure. He said, "Could you give us two of your Acapulco cliff divers to dive with you off of the high-dive ladder, to go along with our porpoise show?"

I went up to talk with Mr. Leroy and I showed him some pictures and then, with his creative imagination, he said, "To hell with these two divers. Let's make it ten, it looks so good." So, we presented a ten-person show at Great Adventure. We've now been at that park for six years, and I've been informed that we're going to be back there next year.

At the present time, and for the past six years, we've been consistently the number one show of the live-audience shows in that park. We're very proud of that history.

Water sports is a combination in theme parks in possibly two areas - porpoise shows and diving shows. Porpoise shows have been inherently successful for many, many years and are in many of your parks. You can do something with a porpoise arena that would, actually create another show, giving you an additional five shows per day to add to the normal six-show format of porpoise shows, by the addition of a diving show. In other words, if you have a 1,500 seat or 2,000 seat porpoise stadium, you're going to get six shows out of your porpoises, which is an excellent show. You will always get a high rating on your porpoise shows. You will, now, be able to get an eleven-show format out of that same facility there, by almost doubling your capacities.

Porpoise shows, for your information, run in a normal season, for about ten to twelve weeks. They roughly average somewhere in the neighborhood of \$55,000 to \$60,000 for the entire season. Those were last year's prices. They're good shows.

We feel that the addition of a diving show to a porpoise facility doubles your capacity, and you'll pay much, much less than you will for a porpoise show. I've had the pleasure, over the years, to work for some good parks. For instance, Great Adventure - we've been there six years; Hersheypark - four years; Six Flags in Atlanta - three years; Astroworld - three years; Pontchartrain - we've had that for three years, and Harry wrote us one heck of a letter on the worth of our shows. Six Flags in St. Louis - this is our first year, but we'll be repeating again next year. Charley Wood - God bless him. Charley is one of our dearest friends and staunchest supporters. We've been in Storytown for three years, and we're repeating there next year. Pier 39 - a brand-new big amusement pier - \$32,000,000 amusement pier out in San Francisco put us in for six weeks, and they're repeating us for 50 weeks next summer. Sea World - 90 weeks and we're still going. Marine-land of the Pacific with Irwin Allen, the guy who did "Towering Inferno." Irwin had us for four weeks and moved it to ten weeks. We ended up with 62 straight weeks.

Usually, the dive show is usually up there at the top of your audience surveys. It's a good family show and it's reasonable. Depending upon the location from our warehouse, which is in Atlanta, and depending upon the number of shows per day and upon the number of performers--a good five-person show at seven days a week, five shows a day, runs you about \$2,750 to \$3,000 per week. In other words, it's about \$80 per show, which is fairly reasonable.

One of the things that the divers can do is work in almost all weather conditions. The only thing that knocks them out during a performance is a very heavy lightning storm or a 30 to 40 mile-an-hour wind.

We do have portable equipment, but if there is a porpoise pool in the park, we prefer using a porpoise pool situation. We supply all the equipment and the necessary facilities to add to your porpoise pool without any capital investment to you. In a portable show; which we can bring in, the only thing you really have to supply is the sound system. And the water. You're right, Walt.

(Laughter.)

I made a comment last year that we produced those ABC Wide World of Sports World High Diving Championships, as well as the

Acapulco Cliff Diving Championships. We were very disappointed with the theme park field in that we had approached many theme parks and said, "We've got four television shows that we want to produce in a theme park, but we can't get anybody interested to bring them there." I just want to comment that, now, Sea World has picked up the four-show package for next year. We'll be producing four television shows from Sea World, plus the full sports week at Sea World next year.

But, now, I'd like to show you a little bit of our video-tape. I think actions speak louder than words. You'll see Great Adventure. You'll see Astroworld, Six Flags in Atlanta, and several other facilities.

(Thereupon, a video-tape presentation was begun.)

MR. MAXWELL: Obviously, this is the cliffs of Acapulco and now we're moving to Six Flags, in Atlanta, Georgia. These are the performers that we use in the shows in your parks. In most cases, they are our nationally recognized television divers.

This is Great Adventure in New Jersey. This particular facility is a 3,500 seat porpoise show-dive show stadium. Actually, it was taken in probably October. The boys are wearing wetsuits.

Walt Heeney asked how deep the pool has to be for divers to perform. Eight feet is the minimum depth.

We now head for Texas and the Six Flags Park--Astroworld. The equipment used here is a portable tank placed in their lagoon. Astroworld was so impressed with the show that the following year, they built a special tank in their lagoon at a large cost and we're now repeating Astroworld for the third year.

That tank is 7', 6" deep. The ladder this champion is climbing is, approximately, 72 feet, actual height.

(Thereupon, the video-tape presentation was completed.)

MR. MAXWELL: I want to thank Walt Heeney for inviting Norma and me to participate with you. We advertise weekly in Amusement Business Magazine. That's where you can find us, if you're interested. Thank you.

CHAIRMAN HEENEY: I want to tell you a little about the After Hours Party. We'll have Jim Ed Brown and Helen Cornelius tonight. As you may know, they were the Country Music Association duo of the year this past year. Also on the show will be Stella Parton, who is Dolly Parton's sister. She does not have a country act; it's along various periods of entertainment. If you're the type who is willing to gamble money and like to hedge your bets for next year, I suggest you take a look at her.

Also, on the show, will be a comedian - Emcee Gene Tracy. And, also, we'll have a laser light show from our next speaker, Wayne McFarland, from Audio Visual III. He's the producer of that show.

Wayne began his career in show business managing and booking acts in the midwest. In 1972, he moved out to the west coast and became involved in the creation and placement of radio and TV commercials. His firm, AV III, has produced well over 300 shows, in-

cluding some 50 multi-media programs, which have appeared in over ten countries around the world. He's currently running a completely computerized, 20-projector, dual-laser light show at Magic Mountain. He's taken it out on the road and has performed at various auditoriums and theaters around the country.

Right now, Wayne is going to talk to us about lasers and multi-media presentations, and a little later on, you will be able to see his show at the party.

MR. McFARLAND: Thank you, very much. We've all heard of the word, laser, but what is it? What, really, is involved with a laser show? What are the safety problems? What are the set-up problems? What are the power problems? Can you really zap somebody, like in "Star Wars"? Can you get sued? Can you get shut down? There's an awful lot of misconceptions about lasers, and that's why I'd like to start with what do you need to do to produce a very good laser show?

Well, about 2,000 years ago, there was a gentleman by the name of Seneca, who was a Roman, who pretty much made his living pondering pebbles and other infinite items of the universe. He had something to say about giving advice - and I quote - "I advise, on giving advice - keep it short." So, I'll endeavor to do so.

I think it's important to talk about laser shows - to understand the problems involved with the medium itself. First of all, the important thing to understand is a laser emanates light. Now, that may seem tremendously simple. But recently, where we performed, a government inspector came on location with a meter to measure the radiation from my laser. The problem, of course, was that the meter was built to measure radiation from microwave ovens. Whereupon, he stuck it in a laser beam that would melt your socks and said, "Oh, that's fine. There's no radiation here." It was sort of like using a geiger counter to measure light waves, if you would.

The second thing that happened to us was when we did a huge outdoor sky show. We used a 62-story building as a screen. I was getting ready to start the show and the countdown had begun and, suddenly, a man came screaming out of the building, yelling at the top of his lungs to stop the show - which I did. We hadn't started yet, so it wasn't too hard. I said, "What's the problem?" He said, "You're going to erase all my computer tapes," which is sort of analogous to turning a flashlight on a record album and erasing the vinyl.

We determined there's a lot of misconception about it, so the important thing to remember about a laser is that it's light - like a flashlight is light and like the sun is light. The difference between a laser and a flashlight is, simply, that a laser emits light where all of the wavelengths are in the same pattern. Think of a wave on the ocean. It's like this: it has a peak and a trough, like a light in a flashlight--like all the primary colors --the colors in the rainbow, but all the colors are banging against each other, destroying their power.

A laser beam, on the other hand, has all the light waves from all the different colors in perfect sync with each other. You have a tremendously strong beam of a kind of light radiation that had never before been seen on the earth, created by man.

There are a lot of different kinds of things that you can force to lase by generating power through them - rubies, diamonds - you can lase gas. The most commonly used laser is through the use of argon gas. I just learned from the people I buy lasers from that one of the best lasing materials in existence is good scotch. I've never had a quart available, nor have I had the power of the Coolee Dam to give it a try, but the point is just not any kind of material will emanate that kind of light.

Are they dangerous? Sure, they're dangerous. And the laser we'll be using in the show tonight - if you look directly into the beam, it'll blind your eye in a millisecond.

The point is, it's like electrical power. If a laser is used with knowledge and the same kind of precautions--of not sticking a hairpin into a socket in the wall--you're going to have no problems.

So, this brings us to what is required for a laser show, and later on, we'll move into shows and, the most important thing - what is the bottom line - what should you know in putting one on?

Well, the first question you should ask any laser company is whether their optics and their equipment has been approved by the B.R.H. - the Bureau of Radiological Health, which is a government octopus growing rapidly, which is the outfit that sends around the guy with the microwave meter to check my laser beam. They're in the rather difficult position of having to monitor a laser show, when a lot of scientists don't even understand lasers.

So, they are based in Washington. They approve laser shows and, particularly, the laser optics. Now, the laser show is no laser show without optics, which are prisms, mirrors, and things that make the light dance to music. If a laser company you bring in has not been approved and cannot show you the proper forms, a government official can walk in and say, "That's it." It's a very important thing to remember.

Now, in staging a laser show, it's important to keep in mind when all of the radiation and emissions and carbons are sent out --to keep the laser beams ten feet away from human beings, so they can't stick their hands into it. As long as you set up what you have like that, you're going to be in good shape.

One other thing to bear in mind, too, is it looks great in discos, but mirror balls with a laser beam are big trouble, so if you ever have a laser show come in and you see the mirror balls going up, put a stop to it. The reason is that when laser light reflects, it loses 1% of its power reflecting off a mirror ball - which means that if you can blind somebody in a millisecond with a full-power laser beam, it might take you 1/50th of a second to do it with a mirror ball. There are a lot of rock groups and things out there that are giving laser shows a bad name because they use those kind of things. So ask for the government clearance, and if they've got those, you can rest assured that they've gone through a lot to get them and their equipment is safe.

All of the good laser shows use two lasers. One is a Krypton laser; the other is an Argon laser. These are something to look for. The Krypton laser usually goes for from \$15,000 to \$17,000. The Argon laser - to purchase will be from \$25,000 to \$27,000. Having those two lasers, alone, must mean that the group has some-

thing going for them, either good credit or they're backed by some bucks or they're reasonably solid.

The power requirements for staging a laser show - you need two types of power: 208, three-phase; 440 to 460, three-phase; 50 to 60 amps. 208 is for the Krypton, which is the smaller laser. The 440 is for the Argon, which is much larger. You also need water. Lasers are very thirsty beasts, because they get very hot. A laser show is the kind of power can run your house for a month, so you've got a lot of power there, and you've got to keep it cool by running water through it. You've got to have tap water available at five gallons per minute to pump through the laser. It's really not too bad, with those other requirements.

A couple of interesting things to remember in staging a laser show is that lasers are very sensitive. You must have exact power requirements. When they say, "110," it can be anywhere from 100 volts to about 125 volts. If it drops 5%, your laser will shut off. It won't turn back on for ten minutes, because the laser wants to make sure that you've checked it out and have solved the problem.

Also, approximately three ounces of pressure on the water hose coming into a laser will cause the laser to cut off for at least one minute, because the laser senses the water problem, and you cannot get it turned back on for a minute, so it's very important that when a laser company comes in, that you talk to them about their water and power requirements and make sure that they understand what you have to do to get the laser running, because that's about the only thing that can really kill you.

So, there you have it. It's, really, a very simple operation when handled properly with common sense and the precautions you use in handling power that you put into a theater - you'll have no problems, whatsoever.

Now, let's get into the important stuff, which is money, audience draw, cost, and what makes up a good light show.

When I embarked on what turned out to be a three-year career as a newspaper reporter some years ago, my first question that I asked the editor was, "Can you tell my how to run a newspaper?" The editor answered me and said, "Hell, no, son. Ask our subscribers." It works the same way with a laser and light shows.

Right now there's a real advantage out there for me and for you, and that is that, by and large, the vast majority of laser shows are produced by technicians - people with virtually zero theatrical background.

I must say that Mr. Crabtree's speech hit a lot of chords with me, which I want to go into now. It always amuses me how people in my shop think we've rediscovered the world, and we found out it's been around for a while.

One of the approaches that we use are good, sound entertainment approaches. When we got into doing lasers for entertainment work, we went to one of the most popular laser shows in the nation, produced by, probably, the largest laser company in the nation. And this is our experience - I'm not making this up - on our tickets and in the ads, it said, "Come 45 minutes early." Now, I've produced entertainment works, so my natural assumption was, "Oh,

a floor show. We're going to listen to music; we're going to see strobe lights; we're going to see something." No. We went 45 minutes early to stand in line. Why? Because the laser people viewed the laser as such an art form that if anyone entered late, it would destroy the genre. Everybody stood in line for 45 minutes - in the smog - which later turned into drizzle, so we could go in and see the show. I was shaking my head a little bit at this and, then, the first announcement that came out was--now, this was a laser light show, with all the kids sitting around with all their eyes a little glassy from who knows what? The first announcement that came out was, "Ladies and gentlemen, this is being performed live. So as not to disturb our lasers, we want you to hold your applause."

It was at that point in time, without having even seen the show, that I turned to my producer and looked at him and said, "We're going to move into this market like a tank." The reason being, is that in entertainment work and in doing concert work, that's the last thing you want to do, is tell the audience not to applaud. It's the first thing, not the last.

The second thing you want to do, as well, is you don't want your audience to stand outside for 45 minutes waiting to look at your art form. You want them to come in anytime - screaming and yelling and happy to be there.

Again, it comes back to the fact that the laser show has been developed by people, by and large, who develop lasers, and they've been sitting on a tremendously popular medium, but - going back to my newspaper experience, they've not been asking the subscribers - the audience - what they really want to see and what they really want to experience in this entertainment format.

What to look for and what kind of questions to ask goes back to your entertainment budget, because there are a lot of laser shows around, just like there are a lot of rock groups around. But we're all experienced with big-band entertainment. We know what to look for. But with a laser show, it's hard to tell, sometimes, unless you talk to laserists about what their entertainment background really is.

At Magic Mountain, the laser light show that we produced, consistently, all summer long, outdrew all of the major celebrities there, but one act, which was Kiss, the largest selling rock group in the world.

We were brought in as a filler for three days a week to try to do something in the theater on Monday, Tuesday, and Wednesday. There was no weekend entertainment, so we were outdrawing everything in the park - live entertainment.

We staged a laser light show at the International Music Festival in Tulsa, and Variety called us the most popular and well-received act out of the 50 top-name entertainers there and the program was taped for a tv broadcast by Osmond Productions.

Also, I'm proud to say we are opening a laser light show at Opryland which we're going to be co-producing with them, and we believe it will be the first time ever an entire live stage act has been combined with a laser light and a multi-media.

We went into discussions with all kinds of people. We watch-

ed the kids. We talked to entertainment people. This is important to transmit to your laser people. And we found, in watching laser shows and in seeing what kids and audiences responded to, some very basic things. It goes back to what to look for in a laser light show.

First of all, is the music. Music has to be popular and well-known. I don't care what demographic group you're going for. We happened to skew our first show 12 to 20, for the kids. So, we went pop-rock. Right away, you've got something going for you. You've got all the equity of pop music that the kids know and love. You start combining that with laser lights and slides and it's quite an amazing response - number one. You'll also notice that as soon as you start putting laser and music together, the intensity of the crowd increases, because all of a sudden, they hear parts of a song that they're familiar with. "Oh, that's 'Saturday Night Fever.' What are they going to do with this?" And the minute you put up the laser light, the crowd goes crazy.

We thought, if we're working with identifiable music, which turns the kids on, they're going to want an identifiable format, which is a concert format. We're working with laser light, which has all the "Star Wars" equity in it. Why not put on the screen identifiable imagery? Why not use multi-media and use a computerized, 25-projector slide show with various imagery - surfers and rock groups - very quickly, so that the laser light can dance around.

Of course, the immediate reaction on a lot of sides was, "My God! What, slides in a laser light show? Did Michaelangelo have slides in the Sistine Chapel? Nobody puts slides in a laser program. It's absolutely insane. It'll destroy the medium, blah, blah, blah--and it isn't necessary."

Well, as it turns out we were getting a good response at the time, with the straight laser show with no slides in it, but we felt if identifiability was the key, then adding more identifiability to it was really the answer.

We were very fortunate in working with Magic Mountain at the time, because had we not had the support of Gary Zahlen and some others out there against quite a bit of pressure, we would not have been able to try out our concept. And I'll never forget what happened the first night we integrated slides. We had a lot of reaction from the kids already from the laser show, just when we had the laser and the music. But the first night we integrated the slides as the final element of the show, and it ran four weekends with just the lasers and the music, like a standard laser show. We were running live that night. I had the lasers, because we were programming our computers, doing some experimenting--and when the slides hit the screen, the screaming got so loud that my laserist stopped. He stopped and he turned around and looked at the crowd, and I was kicking him and saying, "Get going! Get going!" He started running the lasers again, and the kids started screaming so loud that we shot our fireworks in the wrong places, because we couldn't hear the music anymore, and our laser show looked like we had thrown a bucket of spaghetti at the screen, because the kids were yelling so loud, we couldn't hear the cues anymore.

So, we found that after that happened, we had to have the facility there set up a monitor turned up to self-destruct to be able to hear the music to do the live cues to make it go.

We computerized the entire show, because a computer can do 1,000 moves a second - faster than any human being. It can do the show perfectly. The best part of it is that you can run it like a record. You play a tape through a machine and the whole thing works by itself.

Another thing along this line is that we had the combination --the basic entertainment combination of knowable music, the laser imagery - with all that equity - and, then, the knowable imagery, as well, through the computerized, multiple-projector slide show. So, we, naturally, assumed that this particular formula would work in all areas.

We got a call from Jim Hulsey, who - as many of you know - is, probably, the impressario of country music. We are, now, moving into some other areas. And he wanted us to develop a country and western laser show. Lasers to "Orange Blossom Special." Well, it's always been identified with rock music and "Star Wars," but our feeling was, again, if the crowd was a country crowd, fuse knowable country hits and the laser work to them. We have a hit on our hands. So, we prepared a laser show for country music and the result goes without saying. As I say, we had a very excellent review in Variety and the crowd went crazy. We were just, really, the bottom line. In fact, going up after us--I don't know if his manager is here to throw bricks at me, but going up after us was Rick Nelson, who had a 35 millimeter movie of himself from "Ozzie and Harriet." When our show got done, he came back and pulled the plug on his projector. He said, "If you think I'm showing anything on the screen after that, you're crazy." He went out and did his whole act live. So, that, in itself, was gratifying, too.

So, in a nutshell, then, that's the approach. So, there you have a formula - pop hits, laser effects to them, identifiable imagery, and producing a show. Now, bear in mind a lot of the laser shows are done totally live, which means that every time we run a show, it's different, depending upon the mood of the laserist. Our feeling is that it's like making a movie - you get it perfect, and then you lock it onto a computer so it's perfect every single time.

Okay. Now, I'd like to close with the most important thing, and that's the bottom line. We're all aware of the term "equity" in lasers, right now. There's a big "Star Wars" special coming out at Christmas. There's a lot of more "Star Wars" segments scheduled. "Mork and Mindy" is at the top of the ratings. "Battle Star Galactica" takes us back to the Ponderosa odyssey in space. It's going to go on for quite a while.

So, you've got a lot of equity there, but you've got a particular problem, because when you have a lot of equity and a lot of draw, all too often, you'll have an immense price - sort of a one-to-one relationship with the drawing power. But because of the nature of laser shows, that is very delightfully not the case.

The price, by and large, of a laser show depends almost totally on the number of days of run. And to put that in perspective a little bit, tonight, what you'll be seeing is about \$100,000 worth of hardware, and the show itself cost, approximately, \$80,000 to produce. Well, that's not a massive amount of money these days, but on the other hand, that gets you more than a few cups of coffee.

So, if you're only going to bring a light show in--a full

light show--one for, two--three days, the cost can run as much as \$5,000 to \$7,000 a day. On the other hand, if you're going to get involved with the kind of runs that we do at Magic Mountain and that we're going to do at Opryland - like I've heard here discussed with the diving people - you can get your cost per day--your production cost per day down to \$1,500 a day and below.

There's another key element here. That's for as many shows as you want to run, because, bear in mind, that's a computer. The majority of the facilities that we're going into run a minimum of five shows a day, and some of them with a closed theater facility run more, so now you're already down to \$300 a show, and every show you run thereafter, the cost drops.

There's also a tremendous amount of flexibility in doing a laser show. Say, in the middle of the summer, someone making tunes on a bicycle pump becomes a national rage. Well, for \$300 a show or \$200 a show or \$100 a show for a laser show, you can shut off the computer for one show or two shows and put in whoever's hot. You haven't lost more than \$300 or \$400. So, you have a tremendous amount of flexibility with a laser show running in a set auditorium.

So, all this may sound a little incredible, but not really, because it's all due to technology. It comes back to the most basic precepts of entertainment. Computers, slide projectors and lasers - a very excellent benefit to them is that they don't get union scale. They don't show up stoned for a performance. They don't go out on strike. When used in the right combination, they can consistently and proveably outdraw live name-celebrity entertainment, time after time, at a cost of 10 to 100 times less. Now, that's saying something.

So, I'd like to extend my thanks for being invited here tonight to speak to you. I'd like to, also, extend my invitation to you to stop by the auditorium here--the meeting room here where the party's going to be held and take a look at our show later on. It's the exact same show that we ran at Magic Mountain. And, very hopefully, you'll find it entertaining. Thank you very much.

CHAIRMAN HEENEY: Thank you, Wayne. Holiday Beach is a relatively new park. In fact, it's only about two years old--in south Georgia. It has a 500-acre lake for swimming, fishing, boating; a 300-site campsite area; 16 rides; large arcade building. But I think it's become best-known - particularly in the south - for its 2,600-seat Opryhouse.

Tonight, Ivan Williams, who is general manager of the park, will give us a look behind the scenes of the facility's new house and tell us about some of the shows they have there.

MR. WILLIAMS: Thank you. During the next few minutes, I'm going to give you an overall look at our particular situation at Holiday Beach, describing who we are, how we got into the entertainment field at our park, and how it has affected our business to date.

And so, let me begin by showing you a little bit about ourselves and what we're doing. Let's have the first slide.

(Whereupon, a slide presentation was begun.)

MR. WILLIAMS: First of all, Holiday Beach is located in south-

eastern Georgia. We are 1,500 acres in size. Our park is a 500-acre lake. We have about 1,000,000 inhabitants in a 100-mile radius of the Douglas area. We have a \$1.50 admission for adults and \$1.00 for children to enter the park. We are in a fairly sparse populated area. Okay. Slide 2.

We have a 500-acre lake, just two beaches and there are areas --shaded areas for picnicking and so forth around the park, and during the summertime--let's have slide 3, here.

Crowds are pretty thick on the beaches. Let's have slide 4.

This is the top of our water slide. I want to show you that we're very much water-oriented. The 500-acre lake stretches both to the right and left of the screen, here. Again, you can see both beaches, and we have paddle boats out there in the water and all of our swimming areas. We have 16 rides, however, and this is one of the rides - a skyride. It goes across the lake. There's putt-putt golf there, and there are some of our concession facilities. There are about 14 other rides, besides these within the park. Okay.

Now, boating people can bring their own boats in. We have boat races here on the lake and, at other times, they can bring the boats for skiing, fishing, and boating and so forth. You'll see we do catch a few fish there at Holiday Beach.

Okay. Now, a little bit about who we are. In the past year, we decided to get into the entertainment business. Now, our first decision to move into that was based on whether to buy a big ride and attract the public that way or to get into something else. Our decision was to try to go with entertainment.

We, first, built a very simple stage area - 20 by 20 covered stage. It was under the pine trees. We put on some shows. The public liked this quite well. We had some crowds of 10,000 to 12,000 people that came for shows here. Jerry Clower appeared here on July the 4th, 1977, and drew nearly 16,000 people to this area for a show.

So, the popularity of the entertainment here grew quite well. But we had two problems with this simple facility. First of all, the rain was a terrible detriment to the show. Even a shower would ruin the show. Secondly, we also had a problem with our gate attendance - our gate price. \$1.50 for adults and \$1.00 for a child could not support a \$10,000 star coming into your park for one day and for two shows. We had to up the gate price in order to pay for that star.

Now, if we had a guest who drove from Valdosta, Georgia - some 50 to 60 miles - to come to Holiday Beach, and we upped the gate price to \$3.00 or \$4.00 to pay for that entertainer, he may have just come to swim, to fish, or to ride the rides. He didn't want to pay that price.

So, we had to make a decision: either get out of the big area of entertainment--superstars, or we had to build something that we could do it with. So, move on to our next slide.

We decided to build a 20,000 square-foot Holiday Beach Music Theater, and name this our Opryhouse, or Holiday Beach Opryhouse. This picture was taken during the very first show that we had.

It's a blown-on insulation in the ceiling of the building. It's a sloped concrete floor. It has removable seating, so that the building can be used for other purposes. It has stage-shifting areas on both sides, and it has a first-class sound system, so that we can do a good job of entertaining the public.

When we do our shows, we do two shows a day on Sunday, and they are at 2:00 and 5:00 during the day.

A typical-type day, when an entertainer would come to our park, would be like this: First they had to arrive, of course, by bus. On that day, it was Merle Haggard, arriving here for the show. He would arrive, approximately, two hours before the show and go into the Opryhouse. All right, move ahead.

They would arrive at the stage door, generally--we would already have a pretty good-sized crowd of well-wishers, and--even three hours prior to the show, the crowd was growing and ready to see them. At the time, there was an unloading process. We already, of course, had the sound system set up and ready for the entertainer. A sound check had to be done and their particular equipment had to be moved forward onto the stage.

The crowd, then, starts to arrive, approximately an hour before the show. They are coming into the area ready to go. That's the ticket sales area. The ticket had to be purchased at the ticket sales area. That's a hard-sell ticket. The person had to buy another ticket there to go to the show. They had four separate ticket prices - \$3.50, \$4.50, \$5.50, or \$8.50. That made the total ticket price that they paid for the day, \$5.00, \$6.00, \$7.00 or \$10.00. The \$10.00 seat went first. On every show, it went first. We're now going to expand the number of \$10.00 seats that we've got.

(Laughter. Applause.)

MR. WILLIAMS: Here the crowd is ready for the show.

There's the star about to enter the stage.

We do have the show divided into three parts: a warm-up act, an intermission, and then the main entertainer. I'd like to show you this next slide.

If you'll notice, on the back wall, there are some white streaks. You can't read them from this standpoint. I'll get to that a little later. This is part of our marketing program. I'll show you that.

See, we had a nice crowd there for Merle Haggard that day. Look at him grin. I think the warm-up act is getting on the stage here. They do about a 30 minute show, and then there's a ten or fifteen minute intermission, and then we have the headliner of the day. And here he is, Merle Haggard.

We would allow the crowd to come forward to take pictures of the entertainer during the performance, because they wouldn't bother the people in the seats. The seats were color-coded. I think you can see, there, some red seats. These are VIP seats. They sold for \$10.00, and you had your \$6.00 seats and \$7.00 seats behind this. The \$6.00 seats were against the side. The \$5.00 seats were in the back half of the auditorium.

So, that's the typical day of an entertainer coming to our park.

(Whereupon, the slide presentation was completed.)

MR. WILLIAMS: First, of all, we had to sell a product that we had. We began by a very aggressive package plan. You remember I noted the white streaks that you saw on the back of the auditorium there. These were names of companies--companies that had bought ten seats or more for all 16 shows. They paid the price in advance for the shows, so we would bill them four times during the season. It meant a great amount of participation in the show. It, also, meant that a lot of people would come to our park 16 times during the summer. So, with this being our first year in the Opryhouse business--or in the entertainment business--it will increase tremendously the number of package plans that we will sell the companies this coming year.

Then, we had to advertise our product. Early, we used television, which did a very good job of getting the word out. And, secondly, I think one of the things that most of the parks have not used is radio. We felt that on this one particular occasion, that radio would be a media to get to the listener of country and western music, and it did prove to be one of the best ways that we advertised to attract people to these shows. We also used newspapers and we had flyers. I think Alan has some of these flyers that we passed out.

Now, Mr. Alan Paulk will pass some of these out to you. These have the dates of the shows for the past summer. We took these flyers and printed about 60,000 of them and gave them to stores - any place like grocery stores, fast-food places - any place that a large amount of the public might go through. The public picked them up. They used them and they had them all year long. But by the end of the season, we completely quit tv and radio advertising. We let the word-of-mouth and these programs take over, which meant that some of our shows had exactly zero-budget for advertising, and yet they worked. They worked very well.

So, passing these out and getting these in the hands of the people who we thought would use them worked quite well. We felt that the women would be the people who would make the decisions in the family about the entertainment. So, we went to a lot of beauty shops and places like that, and that also proved to be a great decision, and we do think that it was right.

We also chose more of the male stars for our entertainment, which brought a lot of the women to the shows. Our attendance did increase tremendously. So, let me point out one thing before I say this. We are only two years old, and we are in a growing period at this time. It's safe to say that we had a tremendous increase in attendance this year, and maybe not all of it can be attributed to the fact that we added entertainment to our park, but I knew, though, that it did make a tremendous impact on our people. We went from 200,000 to 300,000 visitors in one year. Our revenue in the park doubled, which meant that the people who were coming there and going to the shows didn't only go and see that show. Once they got through with that show, they went and used the other facilities of the park.

That was the main reason that we put the entertainment in, rather than bring in a \$3,000,000 roller coaster. We didn't have

that much money, so we brought in entertainment.

On the negative side of the picture, however, the entertainers must be chosen carefully. We've had some shows that haven't made it. And if you're going to get into this business, you're going to have some that aren't going to make it.

So, you must choose your shows very carefully. It's also not easy to get all of these entertainers. Approximately one month out of each year of our total working time--we spend one month trying to line up this talent. It's no easy task to do so. It, also, must be promoted and pushed. So, it's almost separate from the park. You can have your own institutional advertising, but you also must advertise consistently the entertainers who are coming.

Thank you for the time. We've done well in the entertainment business, and I think it would be good for your park, too.

CHAIRMAN HEENEY: A couple of my neighbors have starred at their facility, and both of them have spoken very highly in terms of how they treat the talent. I think that's one of the keys in getting good shows - treating your talent right. Both of these people have said that they would go back there in a minute, which speaks very highly of the management.

You've heard a lot about Magic Mountain tonight. Susan Reisig, who is the production stage manager there, shoulders, not only the responsibility for managing the people, but also the technical areas - coordinating light and sound and backstage areas, as well as ushering. Her typical day may include setting up a live show, tearing it down and preparing it for a major rock act. Tonight, she's going to show us how they work their theater operations and, also, how they prepare their technical training manual. Susan?

MS. REISIG: The quality of your performance - how your entertainers feel about your facility - is what it's all about.

If you don't have a quality show, nobody is going to come back and see it. You can have a dynamite show, but if you don't have anybody in your facility who knows how to push the buttons to make the facility work, then you're in trouble. If there's nobody there who knows how to work the 440 for Wayne's laser show--who knows how to turn on the fall-spot for Mr. Crabtree's live show, you're in trouble. Nobody's going to see it, because they're going to be in the dark. There's going to be no scenery. There's going to be no light. There's going to be no sound. That's what I'm talking about - operating the entertainment facility. What does it take to operate an entertainment facility? Basically, what it takes is personnel.

If your facility runs smoothly, there are less headaches for management. Your act is happy. Your employees are happy, and everybody is happy, and you have a good engagement and everybody wants to come back.

We all have a lot of different kinds of facilities in our parks - large ones, small ones - but they've all got one thing in common: it takes people to run them. Now, in our park at Magic Mountain, we're non-union. What that means to me--we have a theater facility that seats about 3,500 people--is that I run it with, basically, inexperienced people. Hopefully, if I'm lucky, my larg-

est percentage of personnel comes from the local college theater departments, but I can't depend on that. Even if they do, they've got some technical skill from the plays they've been in and, hopefully, they are there majoring in theater - technical theater. However, they are really inexperienced in what it takes to run an amusement park theater facility.

They're inexperienced in the kind of equipment that we usually use for live entertainment, like carbon-arc fall-spots. I have yet to run into a college student who has never worked a professional facility who knows how to run a carbon-arc fall-spot. They are not familiar with the live-entertainment genre. That means they don't know what a road manager is. They don't know what it takes to set up an act. They don't know what to do with them when they walk in the door. They aren't familiar with specialty acts.

I don't know a lot of kids fresh out of college or in college who have ever operated with a porpoise show, or a seal-penguin-and-otter show. They are, also, not familiar with the pace of the summer season at an amusement park. You've got, at least, one or two acts a week for 13 weeks - minimum - or you've got a change-over that day. You've got two or three shows in your facility running concurrently throughout the day. They're not used to that long run. They're not used to six to eight shows per day - seven days a week.

Another thing I find very peculiar is that when they come out of colleges, is that they're not familiar with just the basic technical aspects of putting on any kind of live performance. They're all great lighting designers, but they're not familiar with the equipment that you've got in your theater.

Basically, they're going to be unfamiliar with your facility when they come as personnel to you. The obvious answer to that is to train them. You've got to figure out how you're going to train them and how you're going to make it interesting, so they're going to want to work for you--they're going to want to work in your park and they're going to be good, because that's the bottom line --when that act walks into the theater, no matter whether it's a laser show or a rock group or one of Mr. Crabtree's live shows, or whether it's a celebrity. When that group of people walks into the door, if your crew is ready and knows about theater and knows how to hustle, you're going to have a good show and your act is going to be impressed and it's going to go smooth and it's going to be a piece of cake.

If your crew is standing around looking like they don't know what's going on and they don't know what's where and they don't know how to turn on the lights and they don't know what this is and that is, you're in trouble, because the first thing your act is going to do is say, "Boy, this place just doesn't know what it's all about." You've lost the ballgame. Yes, they'll do the show for you, because they've been paid, but they're going to try like heck not to come back, and they're going to bad-mouth you every place else they go.

I can't tell you how many times I've had an act come from a gymnasium or an arena and after two days with me, they say, "How do you do this? We just came out of a union house, and they couldn't run their theater as well as your theater is run." It's not me; it's the crew. I'm not the one out there running that fall-spot. I don't mike drum sets. I don't set up platforms. It's

all done by my crew, and they're the ones who are on the line and, through them, me, of course, but they're the ones who do the work and they're the ones who are the front-line representatives for all of us for that act.

In training, I try to get down to the specific areas. Like, we're all sitting here and I'm showing you a microphone and I'm blithering at you about something you may or may not be interested in. I'm talking in generalities. I've found out for the crews what we need to do is get down to specifics. They're there to do a job, and nine times out of ten, they're really enthusiastic for a number of reasons. They're going to get to see 13 celebrities this season. They're going to be right next to Connie Stevens. They're going to see Kiss without make-up. They're going to learn how a laser runs, or whatever it is. Nine times out of ten, they are not really interested in sitting in a room and having you tell them all the technical aspects of a fall-spot or how you want to open and close the house or how to get the sound out.

What you've got to do is be specific with them. You've got to take them out there and let them do it. That's what we've tried to do at Magic Mountain. We've developed a training program, which is really a series of exercises. We took the theater and looked at it real hard and said, "Okay. What kind of things do we do in this facility?" We do revue shows. We do celebrity entertainment. We do laser shows, now. We do community events - all kind of things.

So, we looked at that and said, "Okay. What do we have to teach these people who are going to work for us, so that they can run this facility and run it well?" And that was the outline for the training manual - really simple procedure. They've got to know x amount of things; they've got to know our lighting system; how to hang instruments and how to focus them; they have to know what a carbon-arc fall-spot is and how it operates; how to operate it and how to tear it down and fix it; how to trim up; what all those words mean, such as "neural knob," and so on. They've got to know how to respond to a stage manager when a stage manager is calling cues. If they don't know what a "waist shot in frame 2" is, then you've just lost the ballgame, because your entertainer is in the dark. If the guy at the light board doesn't know what "full-up" means, you've just lost the ballgame, because there isn't any light on stage. If the guy at your mixing console doesn't know what "line 1" is, chances are, the guy who is plugged into line 1 and that microphone is not going to be heard.

So, that's what we're trying to do and I think that that's what we've done fairly well. We've evaluated our facility in terms of what it's functions are or what the tasks to be accomplished are, and the skills necessary to accomplish those tasks, and we shaped a training program and then we started early. We try to start training in February and we really spend some time with the groups. We try to make it fun and we try to make it slightly competitive.

We run a series of contests and things with the crews and, I think, this spring we'll do a thing that we're calling, "Technical Olympics." We take the crews and have them divide up into teams and have them do things like, how fast can you coil cable? Spot pick-ups - how fast can you pick up the celebrity entertainer entering stage left or stage right? Two teams, two drum sets - which team can set up a drum set the fastest? Which team can mike the

drum set the fastest? And, hopefully, we'll get some of the other parks in the area involved in it. We talked to some people from Knott's Berry Farm, and we're talking about trying to get a crew from Knott's and one of our crews and work in a competitive situation. The reason for these things is to make it fun and to make it interesting, and to get them polished, so that when the summer season opens, they're all ready, they know exactly what they're doing, and they can go ahead and do it.

I brought some slides to show you one of the things that we have been doing, which is just trying to get the crews involved in what the training program is. One of the things that is always important in every facility, and we all go through it, is the safety thing. In every facility, there are things that you need to know how to do and things that you should know not to do, so that no one gets hurt. We tried all the training films - all the industrial ones - and they were really boring. They were awful. And I apologize to any of you who have made industrial safety films, but they really are awful.

So, my crews would just bitch and bitch and bitch every time I said, "Well, we're going to see a training program, today, folks, and it's going to be on safety." They complained so much, I said, "Okay. Write your own." I got a bunch of blank stares, and I said, "No, I'm serious. You've been complaining to me that these safety films and slide shows and things that we've seen don't mean anything in this facility. Okay. Either put up or shut up. You write your own." They've been doing it.

I brought some of the slides of some of the stuff that they came up with, which is really kind of fun, so I'll start here.

(Whereupon, the slide presentation was shown.)

MS. REISIG: My point to you is, really, develop your own training manual, or whatever it takes to train the people, and spend the time and the energy and the money that you pay them to train them, and you'll have a dynamite show and you'll have a dynamite season. But, please, whatever you do, don't forget: the greatest quality show isn't going to get up if you don't take the time to train your quality people to do quality work. Thank you.

CHAIRMAN HEENEY: Does anybody have any questions?

A VOICE: Mr. Williams, you mentioned on these acts--16 weeks. How long is your season - number one - and how much is the average cost of the act? Do you give a percentage of the take?

MR. WILLIAMS: We run a 20-week program. We do not have a show every Sunday. We do skip some Sundays. There is a noticeable difference in our gate when we do not have a show at the park. The average cost per entertainer was about \$5,000, plus about \$1,500 in advertising costs, specifically for that entertainer, so we had, as an average, \$6,500 in any particular show on any particular Sunday.

A VOICE: Mr. Crabtree, how many people can afford your type of entertainment?

MR. CRABTREE: I think that would depend on the size of the park. It would depend totally on the size of the park.

A VOICE: I grant you that. But we're talking about 50 parks that can afford your type of entertainment. What happens to the others sitting out here that can't pay your prices?

MR. CRABTREE: Well, I think the principle of quality entertainment can be adhered to in any size park.

A VOICE: What is the saturation point of the new programs that you're putting forward tonight? You say you've already saturated the market with the present programs. How far do we go down the line before we all become the same - if we all use your shows?

MR. WILLIAMS: We had 16 different shows and some of our people came 16 different times to that park just to see those different shows - each of those shows was different.

The fellow back here from Callaway Gardens said that they have the F.S.U. Circus there; they vary their shows occasionally, but they have many, many people that come see them time after time.

MS. REISIG: Let me make a point. I think the point is - and that everybody is trying to get across--is that entertainment is a viable thing in the amusement park industry. Entertainment is our creative entity and, basically, there is no limit to creativity.

Ten years ago, if someone had said to Wayne, "In ten years, you're going to do this dynamite laser show," he probably would have looked at them and said, "Right," and kept right on walking.

The point is that the only limits there are to entertainment are the limits that we put on entertainment. As many of us as there are in this room, there are that many ideas in this room as to what kind of entertainment should be in any park. The name of the game is for each of us to identify that for our own park and move in that direction and find the creative people around us to create those images. I don't think, really, that there are limits. It's up to each of us to explore that creativity and to find that expression.

CHAIRMAN HEENEY: I'd like to make a point. You mentioned, what can parks do? How can they afford the budget? What does a new ride cost today? How many of the rides cost under \$20,000? I can't name other than one or two kiddie rides. Don't most of your rides cost 80, 90, 100--\$200,000?

A VOICE: \$1,000,000.

CHAIRMAN HEENEY: I think that what you have to do is pin a perspective on what market you're appealing to. What's your audience out there? What's your target-market? What major attractions do you have to have in your park to draw that market? What is the most profitable mix of attractions? We're talking about some shows in here that cost \$60,000 a season. Is that cheap, compared to a ride, which might cost \$300,000?

You have to put it in a perspective. It's true that some shows, like at Opryland, where the focus is on entertainment, you are talking about--you know, six figures--seven figure budgets, just for one department, for live shows. But I can cite a case of one major park we had on last year that started with a budget about five years ago of \$110,000 for live entertainment. They found out it was drawing better than many of their other attractions in the

park, and today, their budget for live entertainment is over \$200,000, now, in just five or six years. And that was true, in some degree, to Opryland.

Any other questions?

A VOICE: I don't want to beat a dead horse, but we have found in the past that the advantage of live entertainment is the fact that we can change with the times. If you buy a \$300,000 ride, you're stuck with it for 20 years. Live entertainment is so viable and so flexible that, if the show doesn't work, you can change it.

CHAIRMAN HEENEY: You don't have a fixed investment that you're going to depreciate over the years and then, if it doesn't work, you scrap it, and for rides that don't work - they can't be scrapped.

Question?

A VOICE: I'd like to commend the panel. They did a very fine job. I represent a park that's 18 years old. It began as a kiddie park, with one live show. We now have three live shows. We've grown considerably. We've become an adult park and, I'd say, that with a budget of \$10,000 for live entertainment, you can do a good job.

A VOICE: Who can you get?

CHAIRMAN HEENEY: I think he's talking about in-house produced shows, rather than booked-in.

A VOICE: That's correct.

CHAIRMAN HEENEY: Any other questions?

A VOICE: The gentleman from Douglas, Georgia--what does he use that facility for when he's not using it for live entertainment?

MR. WILLIAMS: It's for multi-use. We've had wrestling, boxing. We've had it used for beauty pageants. We're going to rent it out for conventions and for several other things, so we've got a lot of uses for it.

A VOICE: How many seats can you get in there?

MR. WILLIAMS: We have 2,600. The approximate cost was \$250,000 investment. We run two shows on a Sunday, and we would have about 5,200 or 5,300 people in the auditorium on that day to see it. Now, not all shows, necessarily, were sold out. Some are very close. We had the Statler Brothers - they completely sold out. We had three shows of them and they completely sold it out. Some entertainers are just a bigger draw, but we do think that the word-of-mouth will take over this next year and that we will be sold out on many more shows than we were this year.

A VOICE: How large is your building?

MR. WILLIAMS: It's 20,000 square feet - 100' by 200'.

A VOICE: Was this your first year of the total package?

MR. WILLIAMS: Yes.

CHAIRMAN HEENEY: Any other questions?

A VOICE: I'd be interested to know the reasoning behind going with training part-time staff every year at Magic Mountain instead of getting a professional staff to do it?

MS. REISIG: The park is non-union. It operates seven days a week, during the summer season, and it's only open on the weekends in the winter season. So, there's really not enough work for us to offer full-time positions for very many people at the theater, because there's only about 14 or 15 weeks of seven day operation.

MR. MAXWELL: I'd like to say one more thing about live entertainment that might be interesting to you. I believe it's up to the creative ability of the entertainment department. If it's a large park, obviously, you have a lot more budget to work with. As this gentleman said down here, a \$10,000 budget could be used in a smaller park. If you go to your high schools, for instance, in sports, you can get trampoline exhibitions for free, if you'll go down and you work with your gymnastic coach. If you have a swimming pool, you can go to your local swimming coach and you can work up a pretty good water show--diving show by just giving a season's ticket away to the swimming team. Buy them for five or six or eight performers, and they can work up a water show for you. If you use creative ability in your own department, you can get away on a \$10,000 advertising budget. There's no doubt about it.

One of the things about live entertainment, for instance--I was just talking to the man at Great Adventure who is in charge of our diving show. 91% of the 3,000,000 people who went into Great Adventure this year saw the diving show. Your live shows are very important to you. Thank you.

CHAIRMAN HEENEY: One final reminder and we'll end. If you want to, you can get a recording of this program tomorrow morning at the registration desk. Thank you, and may your 1979 season be more successful than ever.

(Applause.)

... The workshop was concluded at 10 p.m. ...

ASTM/RIDE STANDARDS DEVELOPMENT WORKSHOP

WEDNESDAY, NOVEMBER 15, 1978

FULTON, COBB & CLAYTON ROOMS

The ASTM/Ride Standards Development Workshop convened at 10 a.m., Harold M. Greenblatt, Busch Gardens Division, Anheuser-Busch, Inc., St. Louis, MO, presiding.

MR. STANLEY NELSON: The purpose of this workshop is to assemble those who have had an interest in or an involvement with our industry's ASTM project. I'll give you a little background on the activity, then ask Mr. Harold Greenblatt of Busch Gardens to take over the panel discussion and question time.

For you who don't know what ASTM is, that's the American Society for Testing and Materials, people who write standards in the United States. Well, anyway, back on March the 3rd of 1977, we

were invited to a get acquainted meeting being held by ASTM at the request of AREA--that's the American Recreation Equipment Association. We went to observe at this meeting so we could report back to the board of directors. The report was that we found substantial interest in attending from most segments of the amusement industry. Our recommendation to the board of the IAAPA was that we should be involved in this project. Before asking for board action, however, we sought a legal opinion from Ed Hatton, our legal staff, as to the legal aspects of the Association's involvement with standard writing. The opinion was that there were little, if any, legal aspects, and board action was taken November 16th, 1977 to proceed and get involved at the IAAPA level. Ray Sjolander was appointed coordinator of this effort at the national office. We asked Ed Hatton, our legal counsel, to write a memorandum as to the probable impact on the industry of voluntary consensus standards. Simply stated, a standard tends to serve for a class, even though voluntarily, as a benchmark for an industry as a whole. And since the initial meeting in March, there have been several meetings with various purposes, which will be discussed at any length here. We have developed an official statement of the position of the IAAPA relevant to the ASTM project, and it is that the IAAPA has joined an effort started by the manufacturing segment of the outdoor amusement industry to encourage the import of its member towards establishing full consensus standards under the guidance of ASTM, which will encompass all facets of the industry.

Now, what is the involvement of the IAAPA actually? First it's to act as a vehicle to disseminate information to members on progress of ASTM, the F-24 committee. Second, it's to encourage membership participation in the development of standards. Third, it's to act as a storehouse and library for ASTM information. And fourth, to provide a person, Ray Sjolander, to receive, classify and file ASTM information. Fifth was to coordinate IAAPA activity relative to ASTM, and then act as a clearing house for questions from membership, and that pretty well sums up the involvement of the IAAPA Safety Committee with the ASTM project, and I'd like to present Mr. Harold Greenblatt now, who will introduce the panel, and have some things to say himself about the project. Harold.

CHAIRMAN GREENBLATT: Good morning, ladies and gentlemen. I'd like to introduce the panel--Raymond Lusse, Jayne Barnard, Paul Nelson, Red Wood, Robert Bauer and Dick Sherwood of the ASTM, Robert Terry and Jack Johnson. Richard Coulter is snowed in out in Wyoming. Now I'd like to turn the program over to Ray Lusse.

MR. LUSSE: Basically, I'd like to explain how AREA got involved in this activity. AREA started on the premise that we'd been discussing safety for a number of meetings of our group, and it was decided that we should try to get involved in writing, or helping to write a national voluntary set of standards for the safety, construction, engineering, testing of amusement rides. So far in ASTM, AREA's activity consists of twelve member firms who have sent participants to the meetings. There has been a total of nineteen people involved, a total of fifteen producers of amusement equipment. Three foreign firms have participated in the above, in that count. We have several people who are from one firm, so that actually--as Bob Bauer and Dick Sherwood will explain--only one person from each firm really has a vote on the committees, and hopefully in the ASTM function we try to make everybody an equal, have an equal voice. So in the case of the amusement device committee, we're trying to make the manufacturers as one-third, general interest group one-third and the users one-third of the committee, so

that everyone has an equal voice in voting the standards. AREA activity with ASTM is and always has been up to the individual manufacturers to participate. No coercion is used to force individual manufacturers to participate, although we have not been above subtle hints to encourage their attendance at the meeting. So far we have had two real working sessions: one at ASTM's headquarters in Philadelphia and the other at the Sheraton in Nashville in September. The activities of ASTM we feel will be beneficial to the manufacturers, the operators and to the guests who frequent your parks. AREA has always been synonymous with American manufacturers. Last year, for those of you who do not know, we voted to mark AREA an international group, and so far we have been successful in getting foreign manufacturers to join, and I think our activities with ASTM have helped in getting those foreign firms to participate in our organization. That's about it as far as AREA's participation went with ASTM. I'll be glad to answer any questions you might have later. Thank you.

CHAIRMAN GREENBLATT: I'd like to introduce Jayne Barnard.

MS. BARNARD: As Stan indicated twice, my law firm has been asked to render a legal opinion on what this all means to the Association, and each time Ed Hatton has said no adverse consequences, nothing bad can arise out of this. But I think most people are more concerned about what legally good can arise out of this project, and by that I think most people mean if we go through with this and invest our time and our energy and our money involved in sending people to these meetings, does this mean that government interference with our business will decrease? I think that's what people would like to think about this project, and I think the answer to that question is yes and no.

And without belaboring it, I want to go a little bit through what government can do to you right now, so you will understand in what way government interference may decrease and may not decrease as a result of this consensus standards writing project. When people in this industry are concerned about government interference, they generally mean the Consumer Product Safety Commission, which was established in 1974 and brought together various other safety-minded groups that had been scattered around the government. The CPSC has jurisdiction over consumer products, which are defined in the Act, and in particular, the Commission has jurisdiction over manufacturers of consumer products, distributors of consumer products and retailers of consumer products. Now, to most of you in the room, it doesn't seem as if you would fall into any of those categories, but about a year ago in the United States District Court for the District of Columbia, one judge, who's the only judge who's ruled on this so far, did hold as a ruling of law that amusement rides are consumer products and that park operators, park owners are retailers of those consumer products. Just like a druggist selling toothpaste, you are a retailer of the largest ride in your park. Now, that decision may be wrong. It has not been appealed. The particular case that resulted in that decision was the Zipper case, and was ultimately settled and dismissed, and the whole idea that the Consumer Product Safety Commission has jurisdiction over this industry has not been challenged beyond the first level, where it was challenged very well, but was not successful. So for the time being, until anybody knows differently, the Consumer Product Safety Commission believes it has control over each and every one of your parks.

Now, what can you do about it now that they think they've got

you. It's important, I think, to understand that the CPSC has two main areas of concentration. They have lots of subcommittees and divisions and departments and whatever, but really there are only two that you should be concerned about in thinking about the ride standard project. The first division is the enforcement division, by which the CPSC enforces existing standards, which they have written or others have written that have been adopted into the law, of which there are very few. And the second is a general enforcement of product safety for which no standards have ever been written, and if the CPSC enforcement people decide that they have located a product which is unsafe or hazardous or dangerous or one of the many buzz words that they use, they can take a great deal of action with respect to that product, as they did in the Zipper case. They can go to court. They can attempt to shut down a particular ride, and they can sue every owner or operator of that particular type of ride. If they don't go to court, they can certainly issue horrendous press releases, and they always try to time their press releases when they will have the most impact. And they really can do a lot of damage even without taking you to court in terms of your public relations.

The enforcement division can also do inspections. Right now they believe they can walk in your premises and inspect your rides and inspect your records. It's interesting to know that because you have been characterized as retailers, you're not required to keep records; but if you've got them, you are required to turn them over to the CPSC if they ask. Now, about a year ago the Supreme Court said that OSHA can't do that without a search warrant, and Bob Bell knows a lot more about that than I do. But the Supreme Court also said that the search warrant requirement only applies to OSHA and doesn't yet apply to anybody else. So if during the course of the season some CPSC person comes on your premises and says, "Show us your records," each of you will have a decision as to whether to say, "Here they are," which some of you have done, as I understand, or to say, "No, show me your warrant, or get a warrant." And you can be sure that that issue will end up in court, but right now the CPSC believes that they come in and look at all of your safety records, all of your maintenance records, whatever. All of these are enforcement aspects of the CPSC, and I think that I can say that nothing that you do in the way of ride standards will impact on the enforcement division at all. These people are zealous. They've taken it upon themselves to build up their budget in Congress, and the way they build up their budget is to get terrific headlines. And standards writing and efforts of an industry to correct its problems, to the extent that there are some, do not affect the enforcement element of the CPSC at all.

It's the second element of the CPSC, the other half, that I think voluntary standards writing will have a real impact on. When the CPSC first started, it had this vision of writing mandatory product standards for everything, and they began with swimming pool slides and power lawn mowers and bicycles, and they went through extended several year proceedings to develop mandatory standards, and one by one each of those standards has been knocked out in court. The courts have said they're too stringent, and they're not supported by evidence. They are prepared in a way that wasn't fair to manufacturers. They didn't consider the cost analysis of what they're doing. These standards have gone down the drain, and the CPSC has been very embarrassed with its mandatory standards program. Congress has been very infuriated by it. It has cut off many of their appropriations. So now the Consumer Product Safety Commission is really emphasizing what it calls vol-

untary standards, and it's telling industry to go out and write its own standards in such a way that the CPSC can approve of them, and therefore not do anything more--save money, save time, and save the Commission itself, which has been endangered by Congress, which thinks it's been entirely ineffective. And they are encouraging industries, either as a trade association itself, to write standards, which it chooses not to do because they think those kind of standards are suspect, or they have been encouraging, and they certainly have been encouraging more, industries to get together in a more consensus format, where consumers participate and where government officials and academic people and whatever participate. And in fact what they are urging people to do is to do exactly what ASTM has been doing for years, this consensus progress. ASTM has been very clever and they have a very good working relationship with the Consumer Product Safety Commission. And ASTM says, "We will do the kind of work that you want, and everybody will be happy. Industry will have a standard that they can live with. The government will not have to spend a lot of money to develop one, and everyone will be more successful." And I think that is currently the situation with ASTM, which will be described to you in more detail.

But what the relationship has permitted is for an industry to essentially control its own standards development, with minimal participation from the government. These people come and observe, and I think they have a vote, like any other individual person would have a vote. But the government is not enforcing these standards. It just watches. And what this means is that in terms of the standards writing part of the Consumer Products Safety Commission, they're going to butt out. They'll go to the ASTM meetings. They'll send in their ballots, and that's all you'll ever see of them. They won't come lurking around trying to enforce things on you that you don't want.

So in terms of the question that I have been asked, legally can this do us any good, I think the answer is, as I say, yes and no. But the yes aspect of it is very important in terms of getting government interference out of this industry. Ultimately I think we'd all like to see some judge at a higher level than Judge Pratt in Washington say that this industry is not subject to the Consumer Product Safety Act at all, and that may happen. We may have a chance in the future, if they try further enforcement, to establish that law. But until that law is changed, I think the way to minimize the impact of the Consumer Product Safety Commission and the federal government in general is to proceed with voluntary standards writing.

CHAIRMAN GREENBLATT: Thank you, Jayne. At this time, I'd like to introduce Red Wood of the W. G. Wade Shows.

MR. WOOD: Good morning. It's a privilege and an honor to be here. I'm somewhat unprepared as to what I'm going to say because I'm confused and really don't understand really what this is going to do for us. If the government is going to let us have our standards and not interfere in our business, then I feel that we should best do it. In order to do this--this is such a monumental task--we need input from everybody within the industry. As I say, every time I think about it, I become so frustrated because it's such a monumental task, because things that would suit me, would work in my favor, might not fit the parks or fit other segments of the industry. And I guess what I'm trying to say is if we're going to do it, we'd better get with it and everybody put some input in it,

and we can get this done, because I do feel if we don't do something, they are going to do something for us one way or the other. That about concludes what I have to say. Are there any questions?

A VOICE: Could you be a little bit more specific as to how your area may conflict with the park area?

MR. WOOD: Well, we're located within the State of Michigan, and we work under primarily civic sponsors, fair boards and what have you, and they help quite a lot with this--I mean, inasmuch as they contract you, assuming that you know your business. They check your insurance. They look at your safety record, and beyond that it's just--that's about all there is to it. You know, they check us out, and we have a state inspection system in the State of Michigan, which I feel is a very good system. It's been effective. You can live with it. It has upgraded the industry, I feel, within the state. But this is in Michigan. This might not--it might not be this way elsewhere. So we're going to need the input from each and every human being involved in this industry so we can sort it out.

CHAIRMAN GREENBLATT: Jack Johnson of Playland Park, San Antonio.

MR. JOHNSON: Good morning. We have a small park, and first of all, I'd like to say that safety, as the Association and as we as the operators know it, has been around for a long time. The Association has been looking at safety numerous times throughout the last twenty years, trying to get some type of document that would say, "From the Association we'll send you this document, and as long as you have this document in your possession, you're safe. That's all we need to do is to get someone to say from the Association that one document will cover everything," and this is wrong. This has been tried over and over and over again about getting some type of safety regulation from one source that says what is good for me up in New York is fine for us down in Texas. So I will say that, first of all, I am a small businessman, and going to the different meetings, summer meetings, visiting different parks, I see things. I'm not down on theme parks this morning, but I see things at theme parks. For example, in Busch Gardens this summer, they had a wonderful first aid facility, and for the amount of people that they have going through their facility, that's great. They have EMS technicians available at all times. I'm a small park, and the reason I am on this committee is that I want to see regulations that will come out that I can live with it. Now, if it comes out and says you're going to have a \$10,000 medical facility in your park, I can't live with that. I'm a businessman first, so I'm putting my input into it to see what I can live with, and this is what the whole thing is about as far as I'm concerned. It's very, very important, this F-24 committee and what comes out of it, but if you all are going to sit here and not put any information into it, then you're going to have the big corporations putting all their information in it, and you're going to be required to have things in your park that you're not going to be able to live with. I think everybody's park is run differently geographically. For example, in Pennsylvania, where they have numerous parks, not one park is run like any other park. They're all individual. And this is why I think it's very important that we as park people put in input, whether we like it or not, whether you say, "Well, I don't want anybody coming down to my park and telling me what I have to do." What Jayne just said, you've already got that by the law that was passed. They can come into your park and tell you, "I want to see

your ride. I want to see that ride run. Did you inspect that ride? Yes, sir. Let's see the paperwork." Well, if I can, by putting some input into the committee, keep somebody from coming in my front gate, so I won't have that much of a problem, or be better informed through the Association, as Stan said, where they can disseminate this information, I'll be better off. I'll have to say that we're very proud of our safety record. We've been in business for 37 years and we've never had a fatality. We've had very, very few minor accidents. Most of them have been on asphalt, not on the rides. So I feel free to say that we have a doggone good safety record, and I think I don't need anybody to come down and tell me that my ride isn't safe. I know it's safe. I've got two kids. I put them on the rides. If it's not safe, they don't ride. I check that all the time. But I think it's very important, as Stan was saying, that this information from this committee will be gathered together and will be disseminated by the IAAPA for our own benefit. As I said, if we go to a court action --and this has been proven before--that if you go to court and you don't have any information, they're going to knock you down. Why? Because they've studied. They don't know anything about amusement parks. They don't know anything about rides. So the state legislature says, "Let's find out something about rides. Let's find something about the way they operate." So they go in there, and they think they know something about it, and they've got all these statistics. Where do they get them? I don't know. But if we can get this information through the IAAPA for everybody and have some type of a standard that we can live with, we're going to be better off because everybody will be in the same boat, whether you're in Denver, Colorado or San Antonio, Texas, and one of the main reasons I'm in it is to protect my free enterprise system as a businessman to be able to live with and continue going on, because I feel very deeply that if we don't do something, if we do not put any input in, then we've had it. Seven years ago at a Rotary Club meeting in San Antonio there was a Dr. Cushner. I believe he was the head of the Consumer Product. And after the meeting was over, I went up. I was a member of the safety committee, and I went up and talked to him. And at that time the Consumer Product people were busy pushing on toys. It was just before Christmas time. And he gave a speech about how they were going to correct things on bicycle and child's toys and be sure and watch for the sharp edges and so forth. And they had this newspaper person was interviewing him. And she started to walk off, and I asked Dr. Cushner--I said, "Do you have any plans as far as amusement industry is concerned?" And boy, that newspaper person was right back there, "Oh, are you saying the rides are unsafe?" I said, "No, ma'am, I just asked Dr. Cushner a question." Dr. Cushner replied to me that at that time they had 120 facilities throughout the United States, that they were monitoring first aid rooms, emergency first aid. He said that in the process of monitoring these first aid, emergency first aid in these hospitals, if they felt that there were more people injured at amusement parks on rides or just on the midway, if this came to be a certain point, which he never mentioned what point, but if it came up to a certain point, that they would recommend something be done about it. And he said, "Now, if there is nothing done about it--" and I presume that he meant that the trade association or we as a group would take care of it--he said, "It is very feasible that if you own a ride, we could make the standards so tough that if a person got up out of the seat, the ride automatically would come to a stop." Now, that was what he said. So tie that in with the things that have been going on the last few years, and it's very scary. So I appeal to you that the only way that we are going to be able to survive is to say,

"Hey, people, we've got some voluntary standards that we're working on. We're putting input into this." And that's the only way we're going to be able to survive is being able to put input into this project. Thank you.

CHAIRMAN GREENBLATT: Thank you, Jack. While we're talking about that, we do need your participation. You may mark these dates down. Our next general meeting is February 7th and 8th in Tampa, Florida. We would like to have your participation. We really need as many people as we can get.

Our next speaker is Robert Terry of William Beasley Enterprises of Toronto, Canada.

MR. TERRY: We have some standards in Canada for safety. In Canada we only have a dozen permanent amusement parks, so the main thing is the traveling shows. We've run into the problems in small communities, building inspectors inspecting rides, and they come up with some things right out of the blue. For instance, our skyride is subject to inspection by the federal government from the elevators and lifts group. Then we have the building inspector for the city. We have the hydroelectric inspection. Then we have the insurance company. And our park is in a city owned park. Then we can open after getting certificates from all of these.

The Canadian standard so far has been painted with a very broad paint brush. But one of the major components is that an inspection company approved by the Canadian Outdoor Amusement Association does an inspection. The other things are the safety bolts have to be of a certain class and very broad things like this. But that this inspection is by an inspection company is the main component. He doesn't stop the others from coming. It costs us extra to have them inspect, but it does give us some protection against unreasonable demands for extra things that Joe Blow thinks that we should have. It's only been going for a year. From what I'm told by the traveling show, they are finding it a very large boon in cutting down the unnecessary requirements of an unknowledgeable inspector. I feel myself that this is the way to go, because if they start giving us specifics for each ride, we're going to have something that we can't live with it. This so far we can live with very well. It has been well-received by the insurance companies as well as governmental groups. And that's basically where it is at the moment.

CHAIRMAN GREENBLATT: Thank you, Robert. At this time I'd like to introduce Mr. Robert Bauer, new activities development of ASTM. He will explain some of the workings of the ASTM.

MR. BAUER: Thank you, sir. I've been asked to tell you a little bit about what ASTM is, and I'd like to begin first of all by telling you what ASTM is not. We are not, as many people think, a government agency--not at all. We are not a lobbying organization. We are not an industry-dominated organization, a charge which is frequently leveled at us. ASTM was organized in 1898 for one purpose, and one purpose only; the development of full voluntary consensus standards, with the emphasis on full consensus. What do I mean by full consensus? That means from the very beginning we get all the interested parties together at the standards table, the producers, the users, people representing government and academia, who we call general interest participants. There is a consensus right from the very beginning, and that's what makes our system seem so unique, the fact that we do get the consensus right

at the very beginning of the standards undertaking. We don't paint it on later.

We believe that everybody who has an interest in a standard should have the opportunity to participate in its development, and so we should try to the very best of our ability to get everybody who has an interest to the standards table, each with his own bias, his own point of view. It takes a long time to write standards in ASTM because it is an adversary situation, but we sincerely believe that the products produced by ASTM committees are the best possible standards available anywhere; again, because all parties have a chance to participate in their development.

Now, in ASTM we use the word standard as an adjective. Many people think of a standard as being synonymous with specifications. Well, it is so that a specification is a standard, but in ASTM, at least, a standard is not necessarily a specification. We use it to describe the following five types: standard definitions, which create a common language for a given area of knowledge critical to the success of any new committee, so that everybody knows what everybody else is talking about in precisely the same language; standard practices, which suggest accepted procedures for performing given tasks, how-to kinds of documents; standard methods of testing, which prescribe ways of making given measurements; standard classifications, which set up categories in which objects or concepts may be grouped; and finally standard specifications, which define the boundaries or limits on the characteristics of the material, product, system or service.

One of the questions we're frequently asked is if we develop standards in ASTM, will they become mandatory standards, and the answer is no, or at least not necessarily. The only time an ASTM standard ever becomes mandatory is if it's referenced by a federal or a state or a local regulatory agency. Now, in ASTM, for example, we have two books about that thick which reference ASTM, or list all the ASTM standards which are referenced in building codes. Now, coding authority, of course, is a regulatory body, so when they represent an ASTM standard, it has the force of law. But generally speaking, our standards are developed voluntarily and they're used voluntarily. They will not necessarily be referenced by CPSC, for example. They could be, and we kind of hope that they would be, because they'd get the standards that you developed, not the standards that they developed.

In ASTM, we currently have 132 main technical committees, and they cover the waterfront. We have committees on steels, plastics, concrete, forensic science, sports equipment, consumer products. We just recently developed a standard on bath tub and shower enclosures, for example, to show you the scope, the diversity of the things we're in. If two years ago somebody had come to us and said, "We need standards for bath tubs or we need standards for bumper cars," we would have said, "Well, fine, but why are you here," because at that time ASTM considered itself and was considered generally a materials society, dealing in phenomena of metals, for example. But ten years ago our scope was changed, because our board of directors took a long look at the organization and asked themselves a very important question. The question was what business are we in, a question that every business should ask itself occasionally. Are we in the business we set out to be in? If so, should we still be? Our board of directors found out that we weren't a materials society. We were in the standards business; that we were a management system for the development of

standards. They expanded the scope, and today we are in all these very diverse areas, because our system does lend itself to virtually any standards needed.

We currently have 27,000 members, which represent something like 72,000 units of participation on committees. As it turns out, most people who work on committees work on more than one, and it turned out--through a computer check, it turned out like three and a half or something. So anyway, our 27,000 members represent something like 72,000 units of participation, or the equivalent of 72,000 members working on standards.

Now, there is no restriction as to who may serve on a committee. Anyone who's knowledgeable may serve on any one of those committees, anybody at all, as long as they're knowledgeable in the work of that committee. The only restriction we have on our committees is that the number of producers can not be greater than the number of non-producers, the users and the general interest participants, people from government and academia. We don't want the producer viewpoint to dominate. That's the only restriction.

About five years ago our managing director and I went down to Washington to one of the federal bureaus to talk about a standards undertaking. His name is Bill Cavanaugh, our managing director. And Bill told them essentially what I'm telling you here this morning. And they said, "Gee, Cavanaugh, that's great, but how much is it going to cost us?" And he said, "Nothing." And their mouths literally dropped open, because you know how the feds are. They expect you to come to Washington with your hands open and say, "What can you give me?" We didn't do that. We said, "We have something to give you free," and they didn't believe it. I'm telling you this because it's true. In ASTM there are no project costs to write standards. We don't say, for example, "Give us 30, 40, \$50,000 and we'll get your standards written." We can't, because we can't write them--we meaning staff. We don't write the standards. You write the standards. You write--you're the experts. So there are no project costs. The costs are your time, your travel--you know, your general expenses and that nature. Your research facilities, if required, we charge you nothing. The question then was, "Where do you get your money?"

We get our money in two ways: first, from membership fees. If you want to be a voting member of the committee, you must be a member of ASTM. That costs you thirty-five bucks a year. There's also a corporate membership for \$300 a year, benefits to both. The important point is, however, that's about 15 per cent of our income and that's really money in this pocket and out of that pocket, because for 35 bucks you get a free book of our standards of your choice; you get a subscription to our monthly magazine; and if you work on a committee, you'll be absolutely deluged with paper, so we don't make a nickel on that. Where does our money really come from? It comes from the sale of our publications. We publish what we call our annual 48 volume book of standards that's about that long, and there's over 6,000 standards in there under copyright by ASTM. We own the copyright on what you do. We sell them right back to you, plus a lot of other people to boot. That's where our money comes from, the sale of our standards, the sale of what we refer to as special technical--which we refer to as symposia. We have several hundred of those. We're a publishing house. That's what we are as far as income's concerned.

The thing that you have to be concerned with, of course, is

that we are a management system that can effectively, efficiently do the job that you have to have done.

One final point, and it has to do with antitrust, because whenever we get producers at a table together, it does smack of collusion. We have to be careful, and we are very careful about it. In 1964, we were taken to court in an antitrust case. We got a court decision in 1964 that couldn't have been better for us if our managing director had been sitting on the bench that day. I'd like to read the decision to you, because this goes to the very heart of the ASTM consensus process. On July 20th, 1964, the U.S. District Court for the Eastern District of Pennsylvania ruled, and I quote, "Because of the balance of interests represented on ASTM committees, and because of the scrupulously detailed procedure which covers their operation, it is most unlikely that the views of one member or one group of members could predominate over the consensus of opinion of the committee as a whole." The court further stated, "Because of the heavy reliance of federal, state and municipal governments upon ASTM for specifications, the society may be regarded as an essential arm or branch of government, and its acts may be entitled to immunity from the antitrust laws accorded governmental acts." So we're not only the largest standards developer in the world, we are in our judgment the safest.

CHAIRMAN GREENBLATT: Thank you, Bob. At this point, I'd like to introduce Richard Sherwood, ASTM, who is the leader of the F-24 committee.

MR. SHERWOOD: Good morning. I'm going to give a very brief description of how the standard gets going from its inception until it's finally published. Obviously, a standard first gets a draft written because of a need for that standard, and at the end of this talk I'm going to read you something which I think will indicate to you that there's a very definite need in the amusement park industry.

The first draft of a standard is usually started in a subcommittee or in a task force of that subcommittee; one, two, three, four or five people put it together. This may go through three or four more drafts, at which time it's then letter balloted by the subcommittee. Let's take an absurd situation and assume that there were no negative votes cast on that. At that time then, the standard goes to the full main committee and is again letter balloted. Let's again assume that there are no negatives. It then goes on an ASTM Society ballot, where every member of ASTM has a chance, if he wishes, to vote on that standard. Again, assuming no negative votes, the standard now goes to the ASTM Committee on Standards, who makes sure that all the procedural requirements at various levels have been followed according to regulations governing our committees. Following that, then the standard is published. I said it's an absurd situation because you practically never put a standard through all those levels without getting negative votes.

Every negative vote has to be individually considered by the subcommittee that generated the standard, and the subcommittee has a choice of declaring it non-persuasive--that is, it didn't hold water--they can declare it persuasive, in which case the standard has to be rewritten in some part. Once that is done, it goes to the main committee. If there are negative votes at the main committee level, it goes right back down to the subcommittee and goes through the process again. Assuming it has gotten through the main committee with negatives all resolved, it then goes to

the Society ballot. If there's a negative on the Society ballot, it goes right back down to the subcommittee level again and goes through the whole process.

Once it's cleared the Society ballot with all negatives resolved, then it goes to the committee on standards, and it's finally published.

Now, I said I'd like to read you something indicating the need in this area for standards. This is from a representative in Congress. I got this on September 7th. "In studying the issues of carnival ride safety and reaction to this, I was surprised to learn that no federal regulatory responsibility for amusement park ride safety has ever been assigned. I am interested in learning about the work of your committee in this area. At the present, I am reviewing the need for federal legislation in this area to insure jurisdictional standards over amusement park ride safety." I think that speaks for itself. Thank you.

CHAIRMAN GREENBLATT: Thank you, Dick. At this point, we'd like to open the floor for questions and answers. Mr. Bell.

MR. BELL: Thank you, Mr. Greenblatt. I have about thirty questions that I would like to ask, but I know that there are a lot of other people here who want to ask questions, so I'll try to be as to the point as I possibly can. Since this is the most important undertaking the IAAPA has ever done, I would like to know has there been an opposing view on your board with regards to the adoption of standards? And has there been any study made into the standards that were developed, voluntary standards that were developed by a separate trade organization, further modified by the CPSC and crammed down the throats of a certain industry? I just wonder if there's been any study in that area, and, if there is, if this is a volunteer organization, if there is equal representation of the no side of this particular question.

CHAIRMAN GREENBLATT: Let me say one thing. I don't know that there have been any committees. I know from the day we tried to organize this, there have been many suspicions, jealousies and whatever between the different organizations. And I've gotten calls, letters. I've got four files full of, "If these people join, I'm going to get out, and if they don't stay in, I'm going to get out," and all this sort of thing. It's been a hard task trying to keep it together. I think we are finally getting over the hump to where we can do something. But I can't specifically answer your question.

MR. TERRY: Bob, you're asking if there's anything in another industry that's similar to this. I think we have this in the electrical appliance business. There is a code. There is UL approval on small appliances. That is recognized in certain areas, in most of the United States, but not in California, I believe. It's not recognized in Canada. There they have--Ontario in particular--takes a CSA. It is almost the same as California, and electrical appliances manufacturers shipping into these certain areas don't have any choice. They have to go along with the government regulations, and they're shifting the manufacture to do that.

MR. BELL: All right. The question was--has there been an organization, a trade organization, that adopted voluntary standards that the CPSC ruled on, adopted, further modified, made the things more stringent and the industry suffered a 40 per cent loss in

revenue. That is a case that has been in Federal District Court, and I think that it should have been brought before this panel, because it's very germane to this issue.

CHAIRMAN GREENBLATT: Jayne, would you like to comment?

MS. BARNARD: One of my jobs as legal counsel to this organization is to monitor what CPSC is doing, and I'm sure you're talking about aqua slides, which was a mandatory standard which was developed by the CPSC based upon some preliminary research. As I indicated before, the CPSC is essentially out of the mandatory standard business for now, until some of their credibility comes back. I can say that about a year ago the CPSC was really agitated about snowmobiles and decided they were going to make one last gasp at snowmobile regulation. And the snowmobile industry was very upset, and they said, "This is now wonderful. We'll do it ourselves." And they wrote standards for their industry, which were excellent, and the CPSC backed off and went away, and they said, "We're not going to regulate this industry because the industry has done it adequately for themselves."

Now, there have been a variety of industries that have dealt successfully and unsuccessfully with the CPSC. But my monitoring of this tells me that industries which see the black hand of government coming after them and respond intelligently can avoid the kind of interference that we're all trying to avoid here.

A VOICE: A real simple one. Define use. Who is the user?

MR. BAUER: As far as I can see, a user on this committee would be a park. A manufacturer would be, say, Ray Lusse, who's making bumper cars, sells it to parks, the park would then be the user of equipment. That's a user.

MR. LUSSE: Just to outline the makeup of the committee, so far we have, according to ASTM, seven voting producers, twenty-two consumers or users, eleven general interest participants, making a total of--no--there's unclassified, too, so there's a total of 56 votes on the committee.

And to answer Mr. Bell's question regarding any negative participation on the ASTM Committee, the ASTM Committee is made up of people who think that voluntary standards are the way to go, and those people who don't think that way just don't join our committee. They don't participate. So we would not get any, as they say, negative votes on our committee, just because the people who don't feel that voluntary standards are the way to go would even join our committee.

MR. BELL: So you feel it's completely voluntary and all views are open because of that.

MR. LUSSE: All views are open. You're welcome to come, as you know, Bob, to our meetings, wherever they may be. You can be on ASTM's mailing list without having to join ASTM. They will make sure that you get all the information pertinent to the F-24 activities. We want everybody to come. We want negative views, because that's the only way that we're going to get a standard that we all can live with. What's good for myself as a manufacturer may not necessarily be good for you in Tulsa. What's good for someone in New York may not necessarily be workable for somebody in Florida. So we need as much participation on an individual

basis, and I think one thing I would like to say is that I personally feel that when we get into the standard writing activity, it's more of an individual participation. I try to leave the AREA concept or the IAAPA concept or Red Wood with the OABA concept in the background. I am looking at it strictly from the standpoint of what's good for myself as a producer. Red Wood is looking at it from what's good, what he'd like to see as far as a carnival operator is concerned. You'd look at it the way a park man would look at it, in your individual case, not speaking for the whole group--as you know, an amusement park association or a carnival association or as a ride manufacturing association.

CHAIRMAN GREENBLATT: One point of interest. This afternoon between two and five, one of the subcommittees--and this is the subcommittee on inspections--will be holding a meeting here at the hotel. For those of you who would like to get in on this inspections, or to see how these subcommittees work, you're freely invited. Do we have any more questions?

A VOICE: Once the standards are developed, how does that associate itself to the IAAPA? And once adopted, how does that actually affect all the users, both the manufacturers and the users? Logistically, how does that actually affect us?

CHAIRMAN GREENBLATT: Bob, would you take that?

MR. BAUER: I'm not quite sure what you mean by how it would affect you. I mentioned earlier that we develop voluntary standards. The question was how will you people, I believe, be affected by the adoption of an ASTM standard; is that correct? Okay. As I mentioned, our standards are developed voluntarily and they're used voluntarily. That's how you'll be affected, if you choose to use the standards; and, of course, we hope you would. And we would expect that you would, because you people would have developed it. That's how you would be affected. You'd use that standard. I don't know how else you could answer that question. It would not be an IAAPA standard, by the way. I think that was implicit in your question. It would be an ASTM standard, period.

MS. BARNARD: There's another distinction that I think is important here. When you hear about the Canadian program, that's what's really called a certification program, where an industry, association, takes a standard, however it was developed, and goes around and inspects and puts a seal on the front door saying, "This product, amusement park, whatever, has been certified by such and such an industry to meet certain standards." There is absolutely no proposal that's ever been raised that the Association engage in certification against a standard, and I think that's not something we're talking about here any time in the foreseeable future. It's a huge undertaking, much broader than just the writing of standards. So the Association itself will congratulate itself for having had standards. There will be no further involvement.

MR. BELL: My main concern for being up here and not giving you a chance to ask questions is I think the ramifications of what we're about to do here are long. I don't think anybody has really taken it into account. The ASTM people I don't believe have really touched on the point of the role that they had and other voluntary standards organizations had in the development of OSHA. Everyone seems to know what OSHA's about. They know that it's a big compilation of regulations that everybody can live with until they become law. And what the federal government did, they gave it to the Depart-

ment of Labor and said, "We're going to create a new agency for you. We're going to make these voluntary standards the law." And, gentlemen, you know what that means. I wish that I were on this panel. I asked Clark Robinson if he wanted to have an expose about what the Consumer Product Safety Commission is about, because I have a great big file about this particular thing, and he did not take me up on it. Believe me, gentlemen, it won't make you laugh; it'll make you cry, because the CPSC is out to get the businessman.

But to go on--and I'm trying to make my remarks as short as I possibly can, contrary to what you might think--I imagine--could I have a show of hands of how many people in this room require hard hats of their ride operators? Just raise your hands. In 1973, OSHA came to Bell's Amusement Park and said that on almost all our rides we're going to have to have hard hats. Now, this was not covered in a standard, in any of the regulations that they had, except what to do with cranes and things of that nature. We said at Bell's Amusement Park that we are for safety. We have a very good safety record. We still do. We said we will not put hard hats on our ride operators. The area director said, "You're going to put them on." We went to Dallas, and the Southwest director, whatever, the regional director said, "We'll just let it go." So because of that action, you don't have to have hard hats on your ride operators.

Now, when it comes to writing the standards, if we do in fact write standards, voluntary standards--and I'll be participating in all these meetings--these guys are really going to get tired of seeing me--if we do it, I'm going to challenge every standard in court that affects Bell's Amusement Park. And gentlemen, I do believe that's where it's going to be ultimately tested, in the courts and in the court of public opinion. This country has started to get tired of regulation. I don't think we should be anymore for it. I think what we need is deregulation. Everybody talks about it, but I'm serious about it. We've got a safe park. It's safe for our employees. It's safe for our customers. I don't have to apologize for a thing, and I don't think the rest of you do either. I don't think we need all these regulations promoted.

CHAIRMAN GREENBLATT: What's the question?

MR. BELL: The question is why was there not anybody up here to present this side of the story?

MR. BAUER: I'd like to emphasize one point. You know, I can appreciate Mr. Bell's concern and the concern of all of you when it comes to federal regulations. But I can't emphasize enough the fact that if it's going to happen, if the feds want it to happen, regardless of what you do, the most logical thing to do is to do something first to help stave off federal regulation. But even then if they decide to do something, at least they have something to reference that you helped to develop. To me, that's the only sensible direction.

MR. NELSON: Just a few questions about what Bob was saying. And I know Bob's views because we've been friends a long time. We've been like two or three years trying to decide exactly what our position may be in a situation like this, and it was the consensus of the board to be involved in the ASTM project. As far as whether or not Bob was up here, I was basically in charge of the panel. I

did not get any requests for Bob. He might have talked to Clark Robinson. I don't know about that. Clark put me in charge of the panel. We put people up here basically so we could disseminate information to you if you have a problem or you have questions about this particular activity of your safety committee. Now, beyond that, as far as I'm concerned, we invite any negative viewpoint. We want the negative viewpoints. It doesn't necessarily mean that it'll prevail, but everybody has a say in this organization, and it's been that way ever since I've been in it, and I've been here a long time. We don't try to keep anybody or any opposing views from the membership that I know of, and we welcome the questions and we welcome the opposing viewpoint.

A VOICE: One aspect of voluntary regulations that I think should be noted is that even though they are voluntary, voluntary standards, and we can choose to accept them or ignore them, I think that if we ignore them once they are set up, we ignore them at our peril. If anything happens in a particular park, and it's brought out that standards are available to that particular park operator who did ignore them, that could be used as a standard to which you are measured, even though you chose not to use it; the fact that it was developed, in that respect, works to the detriment of those who choose not to voluntarily implement them.

Unfortunately all things are not equal, and the question of whether safety standards should be implemented is something far bigger than our industry itself, and it's probably something that's going to come more from the consumer than it's going to come from the industry, and we should probably all be ready to either accept it when it does inevitably come--in Massachusetts a couple of years ago, after a series of serious accidents, the Department of Public Safety wrote some safety regulations, twenty-four pages of them. The person who wrote them was a middle level administrator in the Department of Public Safety. He was more a boiler inspector than he was an amusement parks inspector. And he at least came to the amusement parks. We were able by working with him to tailor the regulations to be more appropriate for us and to benefit our method of operation. We were able to take out the very onerous ones, to be able to put in the reasonable ones, and the regulations that eventually did get promulgated were ones that we had developed and could live with, and because of that, even though at first we were very scared and very afraid as to what it would mean to our operation, actually how we operated, we came up after a year's worth of meetings, public meetings and private meetings, with a series of regulations which everybody in Massachusetts could live with, and we've had very good luck in dealing with this person who was in charge of enforcing them. So because we didn't turn our back on them--we didn't say, "We're not going to help you." We gave them as much help as we could, because we knew they were inevitable, and it would appear on the federal level this is going to come. And I think the full industry would be ill-served to turn their back on it and say that we're going to work for deregulation, not help formulate the things that are going to work eventually to all our benefit, not only in our operation, but protecting us if something should go wrong. To show that we would comply, we were reasonable, we took reasonable care. We took all the things that we were able to do in order to protect our employees.

CHAIRMAN GREENBLATT: I hope you all got that, and I hope that's the aim and the intention of the main committee, is to come up with something written by all, agreed to by all, that we can all live with, big park, small park, whatever.

A VOICE: Is that possible?

CHAIRMAN GREENBLATT: It's a monumental task. As Red said, it's a frustrating task. We can't do it alone. We need your help. We started out, I think, our first meeting with some 90 people. The last meeting in September, I think a lot of parks were open and still operating, and I think we were down to around 55. The one in Tampa, we'd like to see 200, we'd like to see 250; we'd like to see everyone get into it. Any more questions?

A VOICE: I don't think you can get a representative from every park in the country, but it would seem to me like there should be some prior legwork done by mail where everyone from every park in the country will be able to respond and send in a summary of accident reports, because you talk about different parts of the country; bumper car ride is a bumper car ride wherever it is. We're setting up our own safety regulations in our park. We study our accident reports and have a safety meeting, and that's how we come to the conclusion of what is and what is not safe, and I think if we get people from all over the country in terms of what accidents did occur, I think we could sift through them to find out where the problem areas are.

CHAIRMAN GREENBLATT: That's a very interesting point. And one of the subcommittees was statistics, and we tried to work through the insurance people, and I don't know if any of them are here this morning, and it's well high impossible to get the accident reports, and it's something we're still working on. In fact, Mr. Kaplan of the Consumer Product Safety Commission has been asking for these things for the last six months. Is that right, Jayne? Would you like to expound on that one a little bit?

MS. BARNARD: Well, the question of statistics in ASTM is, I would say, a sensitive one. I have recommended for the time being that ASTM devote itself toward some of the less sensitive areas and not talk at this point about gathering statistics, primarily because Mr. Kaplan is so interested in them, and our experience with the CPSC indicates that they take this kind of statistics, turn it into some kind of incredible press release to which you have no opportunity to respond or clarify before it's issued. However, I think that everybody in ASTM recognized that there is a need to collect data that will help us identify problem areas. And the week after Thanksgiving, I know that one of the subcommittees on measurement or testing measurement or something is meeting in Cleveland, and I'm going to be in attendance at that meeting, in addition to several other people, to see if we could devise a way that is legally safe and also practically helpful to ASTM in developing some statistics that the insurance people will agree to and all of our members will feel comfortable in supplying. This isn't going to happen any time soon. The very first meeting of this committee is, as I say, in two weeks. We hope that we will be able to generate some statistics that people are willing to provide, but that will be in the future.

CHAIRMAN GREENBLATT: This meeting in Cleveland should be very interesting. It's chaired by Dr. Richard Brown, who is a professor at Case Western Reserve University in Cleveland. He's an orthopedic man and has done quite a bit of work in the amusement park industry. Are there any further questions?

A VOICE: I have a couple, and one is, is AREA--you see, as users of park equipment, we're really tied down to what AREA does when we

buy their equipment. And as a user, if I buy a piece of equipment from, say, Ray, and it's a Dodge'm, is he going to be going by these standards only? And if he does, why is it necessary for me to do it? That's number one. If he complies with the standards, then doesn't that hold over to what I do, as long as I carry on? Number two, how do we become members on this? There wasn't anything mentioned on that as to how we could join.

CHAIRMAN GREENBLATT: Joining the ASTM? If you would come up after the meeting and leave your name with Mr. Bauer or Mr. Sherwood, I'm sure that we can take care of that portion. As far as how does the manufacturing take care of the standards so that you don't have to --and what we're trying to do in the standards, as I understand that particular portion of it, is that you're furnished with enough information that when he builds a ride, it's built to certain safety standards that will fit the standards written. And I wish Ray were here, but maybe Red--would you like to get into that one?

MR. WOOD: Well, I'll add what I can to it. In the State of Michigan, we do essentially what we just said. We buy a piece of equipment, and they enforce their standards. They have the same ground standards that we have developed. Like in Massachusetts, we had a lot of input. When they decided to do it, we worked on it a long time. But with the actual equipment, the maintenance and operation of equipment, we are bound to what the manufacturer says. The manufacturer says it shall run twelve revolution and you shall do this; the state enforces to see that we do exactly what the manufacturer says, no more, no less. Is that essentially what you meant, or did you ask why are we involved in standards if they're going to set a standard we have to follow, then what are we doing here?

A VOICE: It looks to me like we better be careful as users to be sure that we--anything we buy is out of this organization or with those standards, and there will be no problems.

MR. WOOD: This is part of the reason why we should participate in it, because I'm also a businessman. I have a wife and a family and car payments and house payments, just like everybody else does, and a manufacturer should not have the total input on the standards to operate and maintain his equipment. He has the same situation. He's going to protect himself, and if we're all involved in it, we can have some input in saying no, it doesn't take twelve people to run a spider for it to be safe; if that be the case, then we can't buy spider rides. I think that's where we're involved.

CHAIRMAN GREENBLATT: Any further questions?

A VOICE: I'd like to ask the ASTM people and the legal people if there's any possibility that the accepting of these standards would modify in any way the terrible cost in liability insurance? In other words, if they are adopted and followed, is there any possibility that we might get a better rate on liability?

MS. BARNARD: I can't speak for the insurance industry, and they never like to admit that any circumstances will drive down your premium costs, but the fact is that I think some experience has shown that the adoption of voluntary consensus standards, which brings up the level of an industry's safety record, which we expect this will do--we hope it would, in any event--or at least show the insurance industry that safety is a prime concern, it can result in a reduction of premium expenses.

A VOICE: I wonder if we could get a study of that to make Bob a little happier. Maybe it would prove to him that it would be cheaper to make everything safe than it would be to pay the premium.

MR. BELL: Well, all they would say is, "You didn't do it according to standards. You're not going to buy insurance." How's that sound?

CHAIRMAN GREENBLATT: Any other questions?

MR. TERRY: I think that there's one thing that we've all used pretty well, the safety pad on the bumper cars, and I know it kept my insurance premium at the same rather than going upwards, after the broken teeth, and that was something that was voluntary.

MR. NELSON: I don't like to keep butting in, but if anybody wants to join the ASTM, we've had many pieces of literature go out through the Association, and this is what the Association's function is going to be is to relate to you people on this particular project. If you need information about it, write to the national office. Ray Sjolander is the fellow that's compiling all the information, your negative views, your positive views, any kind of view you're going to have, into one central location, where all the information will be there and be categorized and be able to be disseminated. So any questions you have about joining the Association, the ASTM project or whatever, if you'll communicate this to the IAAPA, they'll be glad to handle it and give you all the information you need. We do need your participation, like you fellows have been saying, because there are several areas of responsibility in building a standard, and each one of you will have a particular interest in that particular area of the standard. They're not necessarily complicated, but they're lengthy. They're very--what do you call it--you take them apart, you look at each individual area, and if you're strong in mechanics or you're strong in operations or you're strong in whatever area you're strong in, if you can put your emphasis on that, you can come up with the kind of standards you need, Yes, Bob?

MR. BELL: I wonder if we could have the meetings like, say, more in the wintertime, because like the September meeting came at the busiest part of our season, and if they have it in May or June, it's just hard for us to get away.

MR. NELSON: I don't think there's any problem with that.

CHAIRMAN GREENBLATT: No. The next one, as I say--the next meeting is February 7th and 8th in Tampa, and it's to coincide with the OABA. These are the general meetings, which are held like every six months. We are trying to get the subcommittees, which are actually the working committees writing the standards, to meet more often. We have the one meeting this afternoon, and hopefully we can get this thing moving. It's been rather slow. We feel that we're over the hump, and we'd like to keep it going real strong, and I think one of the suspicions that might arise, and I've heard it mentioned--I don't think it's anyone's intention to say that if you've got a merry-go-round or a carousel or bumper cars, you're going to need six operators or three operators. I don't think anyone's trying to tell you how to run the park as far as people are concerned, and this is one of the questions that's been asked to me often. That's why we're writing the standards. We'll put in there what we need to put in and what everyone wants in there,

not what's just pulled off the shelf and put in there. Are there any other questions?

A VOICE: How broad or how specific are these standards going to be written? Are they going to be each individual ride or for a type of ride--like just one for bumper cars, or--there's such slight differences in different rides, and, you know, it's such a gray area.

CHAIRMAN GREENBLATT: I don't think it's the intention, at least in the first several meetings that we had, to do that. If you will check some of the state codes, you will find that each ride has a standard method of inspection and testing and all that. I don't think that was the intention. That is why we want your participation, to come up with that which we need, not because it's an individual ride. This would be a twenty year task.

A VOICE: Insofar as the IAAPA involvement with this activity, are we lending both our name and our financial resources in this endeavor? The specific question is are we paying any expense money and the legal fees associated with this?

CHAIRMAN GREENBLATT: Jayne, would you like to answer that? That was the involvement of the IAAPA as far as financial aid.

MS. BARNARD: My boss will be very shocked if you're not paying legal fees. Ray Sjolander, as part of his many responsibilities for the Association, has a portion of his time devoted to the ASTM project, and I'm sure that his expenses are paid, as are my fees. I think that was the decision of the board when they went into this.

CHAIRMAN GREENBLATT: Stan, would you like to comment on that one?

MR. NELSON: There's a safety committee, which happens to be my responsibility as being chairman of, and we're given a certain amount of money to work out programs that may be of interest or to follow programs that develop that may be of interest or concern to the membership. When the ASTM project came up, we felt that it was very important that we attend and find out what's going to happen, and this is in my initial remarks. We were invited to the ASTM project by AREA. And it was our judgment at that time that we felt that we needed an involvement, because we felt that everybody needed to know what's going to happen. And the judgment of the board was that there was a meaningful project that we felt that the industry should get involved in. I believe the reason we made these position reports is that it's a monitoring group. IAAPA is not going to be involved in writing the standards, approving the standards. It has nothing to do with that. When I go there as a committee member, I go on my own from Joyland Park, and I also make these meetings as a representative of the safety committee, to report back to the board about what's going on, and we needed legal counsel. We needed IAAPA staff so that we could get all the information possible to take a look at it and analyze it so that we could disseminate it to you people so that you could make up your mind on these things. The project is going ahead. The IAAPA position, I believe, is to monitor and to give the information out to the individual people. Does that answer the question?

A VOICE: Yes, sir. I've got a second part of that. As I understand it from the young lady's remarks, this whole cloud of intervention hangs by a thread of a court ruling. Then part two of my

question is when one of these small park operators decides to challenge the CPSC to see if they have jurisdiction over amusement rides, is the IAAPA willing to commit legal help to challenge as it is to head off a possible confrontation?

MR. NELSON: My personal opinion is that we wouldn't because we wouldn't be able to support every individual park in our Association on some legal battle that they would particularly like to participate in on their own. I don't think that we would have enough funds to even start a thing like that. I don't want to speak for the Association on that. I just don't know. We could research that particular thing and get back to you on that, if you want that specifically answered. But I don't see how we would have the funds to jump in on every fireproof that would be developed by any individual park, if they decided to do it. And if we did it on one, we'd be obligated almost to do it on all of them.

A VOICE: Would we entertain--suppose a test came, not a fireproof, but just one test case.

MR. NELSON: Well, someone would have to decide what that test case would be.

A VOICE: Who would have to decide?

MR. NELSON: The membership.

A VOICE: Full membership?

MR. NELSON: It's your money. I would imagine.

A VOICE: Well, sir, as I understand it, the full membership did not decide to support the ASTM. That's what my question is.

MR. NELSON: Well, that's true. It's true.

MR. BELL: I like that question.

MR. NELSON: The board of directors of the Association take on responsibility, I guess, or any board of directors of any association, to make certain decisions of what they feel is for the good of the industry. The information had been given out. I don't think anybody tried to hide behind anything. We had articles come out on it trying to ferret out information or opposition, or any kind of information, any kind of opinion so that we could make a decent decision on these things. And it--like I said, it wasn't a momentary thing. We've been after this for--and fooling around such a thing like this for two or three years.

A VOICE: Well, for that particular question, should it be addressed to Ed Carroll?

MR. NELSON: Yes, I would imagine, or somebody that knows more about the actual deal than I do. I'm a committee chairman, and my responsibility was to follow up on this particular topic.

CHAIRMAN GREENBLATT: Question?

A VOICE: You know, I think everybody's kind of dicker about different things, and I think they're missing the point of this whole thing. What we're trying to do here is educate our own industry as to what is and what is not safe. Some people may not realize that they've got a ride that is not functioning as safely

as it could, and we better clean up our own act before the government steps in and does it for us. And really, since it's a voluntary situation, nobody's forced to do anything here. What we're trying to do here is set some standards and make some sense, because we have an obligation to the public as well as to ourselves. And if you don't like the regulations, don't abide by them, but at least when you see them, you're educated as to what is and what is not safe. It's not a matter of doing it or not doing it. If we don't do it, the government is obviously going to do it.

MR. BELL: How many times have you had an OSHA inspection? I'll tell you about voluntary adoption of standards.

A VOICE: That's the whole point of what I'm saying. If OSHA comes and tells you what to do, if you're complying with your own set of standards, then you've got somebody to fight OSHA.

MR. BELL: Man, that's what I'm telling. That's what OSHA is. It's voluntary standards by a different trade organization, and the Congress said, "That's going to be the law, and we're going to slap a penalty on you."

MR. BAUER: May I just make a comment? Yes, Mr. Bell keeps talking about OSHA, about just a collection of trade association standards. They're much, much more than that. When OSHA was first organized back in 1970, like any new regulatory agency, they had to do something fast to justify their existence. They immediately adopted--and I believe the number was--about 250 voluntary standards. They were ANSI standards, American National Standards Institute. Since that time they've begun to withdraw all those 250, or most of them, because they realized they acted in haste and they made a lot of standards that were inadequate for the needs of the day. But OSHA is not just a collection of standards. OSHA is a very powerful regulatory body, and if they don't use our standards, they're going to write their own, and that is the point. You won't be able to live with what they write.

MR. BELL: Well, why haven't they written them so far?

MR. BAUER: They're getting there. They will.

CHAIRMAN GREENBLATT: I'd like to just put one in. After a certain accident, there was a lawmaker who insisted that a law be passed that a professional registered engineer sign every ride as being perfectly safe every day of the operating season. Try to live with that, or try to get someone to sign that one.

A VOICE: First of all--again, directing this to ASTM--a standard is not a standard for the entire industry unless everybody in that industry follows that standard. Now, it cannot be a standard, you know, unless everybody in that industry follows it. How does ASTM plan on enforcing these standards on everybody? And if ASTM does not enforce it, then the government is going to come in and force it on us. So it's, you know, eventually--at least to me it seems like these standards are going to have to be forced on everybody somewhere down the line, whether it's ASTM, which will be fine with me, government--I don't particularly care about it--but there has got to be some kind of enforcement, or it just simply cannot be a standard.

MR. BAUER: ASTM does not enforce any of its standards. They are developed voluntarily and used voluntarily. It would just make a

great deal of sense, however, to use the standards which you've helped to develop. I can't imagine you people getting together and developing standards and saying we're not going to use them. To me, that would be ludicrous. But there is no way to enforce it. Yes, sir.

A VOICE: Well, that's my point. If some park somewhere else does not want to follow these standards, then the government can come in and say all right in order to make sure that all the parks everywhere follow these standards. Then we're going to set up some kind of bureaucracy to make sure that they're--

MR. BAUER: They very well may. That's correct.

A VOICE: If we do not set up some kind of enforcing agency ourselves.

MR. BAUER: Of course, you'd have to police yourselves. We can't. But again, you know, we've been through this with almost every new group that's organized, because they say, "Well, what if we don't want to use the standards," and I give them essentially what I just said to you. It just happens, because it's senseless for it not to happen. Again, we can't regulate it, but if the government does come in and say, "Okay, you guys aren't doing it, and we're going to write some regulations," hopefully when they do that, you will have developed something that they can reference. That's the whole point here; get moving now before the government moves on you.

A VOICE: We had an experience in Massachusetts that went along with our development of the safety regulations. At the same time the Department of Public Safety wrote their twenty-four page safety regulations, the Building Code Commission in the state also was writing a new building code. Now, they also decided at the same time that they wanted to regulate the construction and structures in an amusement park, and they wrote two or three paragraphs out of a big, thick book, which in effect said a local building code inspector could come in and inspect the roller coaster, or even the steel runs, and it was so broad that there were no specifications in that standards or nothing to say what that building code commissioner could do and couldn't do. Now, this came in parallel to the time that we were working with the Department of Public Safety. We as an industry, the parks in Massachusetts, were working with the Department of Public Safety to tailor the regulations they gave us. Now, we were able to satisfy ourselves that we were able to work with Public Safety. Then we went and looked at the building code regulations and said we've got a conflict here. And with the conflict, we said we could work with Public Safety rather than the regulatory commission, and we worked through Public Safety, going up the ladder, asking them to resolve for us the conflict; that we were going to be under two different bodies of state government, asking them to resolve it. We managed within the governmental system to have those bureaucrats talking to other bureaucrats, and we managed to get out of the building code all regulations concerning amusement parks. In that case, it was to our benefit and advantage to have worked with one group and sift out some of the things we couldn't live with. In that one particular instance, it was obviously to the advantage of the amusement parks in Massachusetts to have cooperated. I think that might have been the type of thing we were looking at with the standards that we're talking about developing. Once we get them, we have something to fall back upon, to say, "Look, we've done it." Why do we go for

a different direction? Once something is established for us and it's to our advantage, we can perhaps use that to change and as a lever to convince people that we're working in the right direction and not to try to jump in and take two or three steps forward. I think that's going to help us with anything else. And regardless of what we say about the concept of big government versus no government, that political issue I think is on a different level than what we're talking about here. We have a certain environment; we have a certain system that obviously we have put under a totally different committee. And ASTM, as I look at it, has a small part of working within the total environment to give us something that we probably can hang our hat on and prevent further inroads into what we're trying to do as an amusement park industry.

CHAIRMAN GREENBLATT: Any other questions?

A VOICE: There have been certain provisions made on the committee for the small businessman and the small park, and I wondered if there were going to be any provisions or standards forced on small parks, because there are certain things that are just too broad, that they would really have to be broken down. Would that be under any consideration, to break that down?

MS. BARNARD: Actually, nobody on this panel today can tell you what the standards are going to look like and what provisions are going to exist. The provisions that are important to you will become part of those standards by your participation, and small parks, if they have particular concerns, will get their concerns expressed in the standards by participating in the standards writing. I mean, there's no master plan; there's no outline; there's no calendar. No one has any real vision today what these standards will look like two or five years from now. I'm sure that there are many special interests--what Bob Bauer calls biases--that are going to have to be injected into the standards before it's finalized, and that's why everybody here is seeking participation in the project.

A VOICE: Jayne, in your opinion, if nothing is done, will the government in fact impose regulations?

MS. BARNARD: I think there's no doubt that state governments will. I think that there is not much likelihood in the future that the Consumer Product Safety Commission will impose mandatory standards which they will write themselves, but they will continue to put pressure on this industry with ASTM or otherwise to develop its own voluntary standards in the same way they did with snowmobiles, chain saws, other industries that they feel they don't have the resources to develop the standards for, but feel it's important for their public image to insist upon some standards. I don't think frankly, as I said, that they're going to come in and say, "Here's the rules. This is what you've got to follow." But the pressure will not stop, and certainly not from the states. We're hearing from the state people all around the country where regulations do not now exist wanting to participate in this project, because it's the least expensive way that they can find to develop standards that they wish to impose on this industry.

A VOICE: If nothing is done and they do in fact make standards, will those standards stand--will those be successfully challenged or not?

MS. BARNARD: They being Consumer Product Safety Commission?

A VOICE: Well, you say they won't make them. But if the states make them, like the Consumer Product Safety Commission did, can the parks successfully challenge unrealistic--

MR. BARNARD: Can the parks successfully challenge unrealistic standards? Absolutely, yes. It takes a lot of money to litigate against the government, but in the same way that the bicycle standard and the swimming pool slide standards have gone down--Christmas light standards--they can be challenged, they can be attacked, they can be beaten, but it costs a lot of money.

CHAIRMAN GREENBLATT: We'd like to have your help. Again, I'd like to say if you can hold February 7th and 8th open, we'd like to have you come down. Thank you for coming.

... The workshop concluded at 12 noon ...

GAMES WORKSHOP

WEDNESDAY, NOVEMBER 15, 1978

GRAND SALON WEST

The Games Workshop convened at 10 a.m., Robert Lundquist, Marriott's Great America, Santa Clara, CA, presiding.

CHAIRMAN LUNDQUIST: Good morning and welcome to Innovations '78, our theme for the 1978 IAAPA Games Workshop. My name is Bob Lundquist, the Chairman of this morning's workshop. I would like to welcome all of you here.

Before we get started, I would like to thank Bill Moore at Six Flags Over Georgia and his staff for providing eight very outstanding, enthusiastic young people to operate the games in the back of the room.

I would also like to thank several plush manufacturers who were kind enough to donate without charge to us the prizes for this morning's workshop. They were: Etone Toy, Roy Ellis and Alice Ellis; Genie Toy, Tom and Rick Dawson, who were kind enough to donate merchandise for not one, but two, of our games; and also Acme Premium, who donated much of the materials and supplies that we used to operate the games. Last but not least, Superior Toy, Sharon Rosenberg and Ron Detweiller, who also participated with us this morning.

Nineteen Seventy-Eight was an exciting year and a challenging year for all of us in the games industry. It was also a year of innovations, which is the theme of today's workshop. We found that all across the country and, in fact, around the world, people are finding better ways of displaying games, of merchandising games, more effective methods of cash control, better ways of generally operating their games.

We have a slide show this morning which was put together by Scott Lovering of Marriott's Great America in Gurnee, Illinois. Scott was assisted by Randall Bailey of Six Flags Over Texas. And the slide show will take you on a tour across the country and tell you about some of the new things that are happening in our industry, some successes and some failures that have been experienced by various parks around the country. And I'm sure you'll enjoy this, so just sit back and relax. And, Scott, I think we are

ready to go.

(A slide show, "Innovations," was shown.)

NARRATOR OF SLIDE SHOW: Innovation is essential to every industry. Positive change renews interest and enthusiasm in a product or procedure that is otherwise obsolete or non-existent. Innovation may be greater efficiency. It may mean better quality. It may mean a higher degree of public appeal. But in all cases, innovation means greater profits.

So, what is new in games? Let's take a tour of the United States and sneak a peek at some games operations around our nation.

First stop, California. At Knotts Berry Farm, Bob Webster tells us that Knotts' most successful games during the 1978 season included their water race game and their ring toss game. New in '78, was a muffin tin game which, surprisingly, did not receive much play. They tested a 64-ounce bottle ring toss, which also did not meet their expectations.

Mac Hill of Magic Mountain, just north of Los Angeles, reports great success with their new quarter pitch. Their number two game in 1978 was their hoop game. New in 1978, in addition to the quarter pitch, was speedway, an exclusive drag race theme group game. This fourteen-unit game allows players to race against each other; or just one player, he can race against the clock.

Magic Mountain displays their games with an assortment of prizes, offering trade-ups where possible. To help promote sales and motivate their operators, Magic Mountain's games department holds annual sales contests with victory dinners for the winners.

Marriott's Great America in Santa Clara, California, was most successful with their four-sided milk can game. Running a close second was the ring toss. The Santa Clara Great America is presently testing a quarter pitch and a dollar guess your weight, featuring plush as prizes. Both are receiving very good response.

Great America has had significant success with their use of single item merchandising, using a frog, for example, exclusively in the coin pitch. Motivation of employees is maintained through department organized activities. The annual August sales contest is followed by a popular, formal awards banquet.

Moving on to the State of Texas, we come to Astroworld. Steve Calloway tells us that their hoop game was the leader in 1978. New this year was the cinema bottle game, which showed only moderate success. Astroworld tends to feature exclusive items in their games and expects to do more theming for 1979. The stock has changed in some games during the season to help rejuvenate interest in the individual games.

John Bement at Six Flags Over Texas reports that their settlement bottle game was number one in 1978. This is the second year for that game at Six Flags. Just four weeks ago, Six Flags began testing the new toss game. Although still early, John says the initial response is excellent.

Right here in Atlanta, Six Flags Over Georgia, a whole new games area opened in 1978, highlighted by neon lights, natural wood and ceramic tile counters. Randall Bailey takes real pride in his new area and particularly in the hoop game, which led the

pack last year.

Heading on down to Florida, we find Circus World just outside Orlando. Games Manager, Sherri Ferguson, has experienced great success in the fish bowl game and in the tic-tac-toe game. Circus World features several highly themed games, with exclusive clown merchandise and a circus motif.

Moving up the coast now, we come to Carowinds on Carolina's border. Carowinds has great success with a group water race game and the regulation basketball toss. A 64-ounce bottle ring toss was a very successful addition in 1978. Rod Burris reports that a new games area will be opening in 1979. Among the games to be featured in the new area will be a second regulation basketball toss and a 64-ounce Coke pitch. Carowinds features exclusive items in their games, which help promote sales through attractive, eye-catching merchandising.

Travelling up into Virginia, we find Busch Gardens Old Country. Dave Potter tells us that the Busch Center games did very well in 1978. They included a muffin tin game, a hoop game and a ring toss. They were using Budweiser beer bottles on the line. The most successful game was their group water race game. Busch tested the quarter pitch in 1978 with favorable results and would like to install it permanently in 1979. Dave says that Busch's game-of-the-week program is very useful in motivating their employees.

Right around the corner is Kings Dominion. The hoop game was their number one game, followed by the Coke pitch and muffin tin game. The muffin tin game was new in 1978. Kings Dominion merchandises their games with one style plush per game. However, according to Jim Ackrom, they are shying away from expensive theming of the games due to the flexibility required to quickly respond to operational trends.

Heading west now, we come to Cedar Point in Ohio. Cedar Point's most successful games were the lay down games, employing colors and the months of the year. Jim Nardeckia is planning on putting in a set-'em-up bottle game in 1979, and possibly a variation of the quarter pitch. The forty-five games in Cedar Point are merchandised with an assortment of plush with some degree of overlap.

Just north of Chicago is Marriott's Great America in Gurnee, Illinois. The top center game in 1978 was the ring toss game. The leading line games were the two group water race games. New in 1978 was the muffin tin game, which proved very successful. Towards the end of the season, the felt and machine gun game was replaced by a toy block game. That, too, was a profitable change. 1979 plans include a 64-ounce bottle ring toss and a lay down game.

Like its sister park in California, many activities, contests and special events are planned for games employees throughout the season to help keep morale up.

Heading down to Missouri, we find Worlds of Fun. The most successful games in 1978 included the hoop game, the milk can game, and a balloon dart game. New this season was break-a-plate game, using plastic plates. Also this year, Worlds of Fun reduced its quarter pitch to a dime pitch with no significant change in revenue. 1978 also saw the introduction of a muffin tin game, which was only

moderately successful. Worlds of Fun uses an assortment of items in their games, minimum overlap or duplication.

Yes, the games industry is a dynamic one. We, as games operators, can continue to improve our own operations by remaining flexible and by minimizing our own fears of innovation and change. And probably the greatest thing we have going for us is each other. As one games operation grows and excels, so does our industry.

CHAIRMAN LUNDQUIST: Thank you, Scott. It was an excellent slide show. Our first speaker this morning is Lottie Minick. Lottie started her career in the games business by actually operating a game, I think it was Six Flags of Texas. She later married the games manager there, Bob Minick. And between the two of them, they have worked in a number of parks and set up the games operations. She is going to be talking on the subject of motivating employees.

MS. MINICK: When Mr. Lundquist asked me to speak today, I nearly didn't accept. I've only been in this industry some five years, and there are so many of you more qualified than I. In fact, I see several faces I'd rather be listening to. But being asked to talk about games and how we did this year at Magic Springs didn't sound too difficult, so I agreed. It also gave me a chance to buy a new outfit.

Wha I didn't realize when I started planning what to say is how hard it is to explain what I do all day. The set-up, training, motivation and operation of the games area has always seemed very easy to me, but this is the first time I have tried to analyze or explain how to go about it.

Before I go on, let me give you a little background on Magic Springs, so you'll better understand what our situation was. Some of you may not have heard of the park, as we didn't open until late in the summer.

Magic Springs is a five-million-dollar theme park, located about a mile and a half east of downtown Hot Springs, Arkansas. While the magnitude of investment may seem small in today's market of fifty to seventy-five million dollar facilities, Magic Springs is a high quality park with seventeen rides, providing an hourly capacity of ten thousand rides per hour. There are two major shows, eight food facilities, fourteen arts and crafts shops, in addition to three gift and souvenir outlets, an arcade gallery and games operation. Magic Springs was developed by a group of local investors. LARC (Leisure and Recreation Concepts) of Dallas provided all design and construction supervision. Park management is being furnished by LARC on an ongoing basis.

The park was built in only six months, with the opening taking place on July 22nd of this year. The six-month time frame is certainly an industry record. However, it created many difficulties from the standpoint of management organization. There was little time to plan or implement the procedures and training necessary for a smooth opening, as our management team wasn't totally assembled until some four to six weeks prior to opening. Even then, nearly all our efforts were directed toward completing the park, rather than operation.

Prior to opening, we didn't have any facilities--no desks, no files, not even any telephones. Our real objective was to have

the total show ready for our guests. Management techniques and employee motivational approaches were forgotten, except in their fundamentals of leadership, direct supervision and hard work.

Our enthusiasm must have been contagious, because all of the employees were excited about being a part of the new enterprise. They were certainly motivated.

This year, Magic Springs itself provided us with an incentive to get a new park off the ground, to keep it going, and to attract as many visitors as possible. That success naturally rested with those of us hired to fill responsible positions. Each of us had to provide that basic leadership necessary to our objectives. I, personally, have no trouble being motivated. Just mention games, arcade or a gallery, and I'm off and running. There is an excitement for me in these operations, so perhaps, I reflect that in my actions, thereby creating the leadership necessary for the employees. I am totally convinced of one thing--the person in charge is the key. If he or she is too busy or too important to be involved or is disinterested or bored, that attitude will be reflected in the attitude and action of the employees.

On the other hand, if the boss is enthusiastic, energetic and challenged, the employees will sense it. In spite of themselves, they will convey that same feeling to others. The old cliché that enthusiasm is catching has never been more true.

Sustaining that enthusiasm is always difficult. It takes self-determination to stick to the job and meet each day's challenge, and to convey that same urgency to each employee. It is necessary to build a sense of professionalism into everyone, to take pride in doing a job well. This is where direct supervision pays off.

Each employee must be properly trained in all aspects of the game operation. Not just how the game is played, but everything. How to flash the stock, how to balley a prize, how to talk to each guest at the counter and, so important, how to teach each person to get that additional play. All this and more must be taught.

It is not an easy task. You must work side-by-side and show each how to operate efficiently, achieve play capacities and, of course, make that money. You must adjust, correct and praise each when the job is well done. This isn't something done at the first of the year on the employee's first day at the job. Direct supervision can never end. And believe me, I know there are days when everyone is tired, and it is hard to get back up for that day's business. It takes discipline, hard work and professionalism.

Or maybe, to go back to the roots of our industry, it takes being a showman. This is what I try to instill in my employees at Magic Springs. Maybe my techniques and approaches weren't as sophisticated as they will be in the future, but the basic concepts of leadership, supervision and hard work provided Magic Springs with a successful season. I think it can do the same for you. Thank you.

CHAIRMAN LUNDQUIST: Thank you, Lottie.

The next gentleman to speak is a very good, personal friend of mine, and also a former employee, or a--I was a former employee of his, I guess. He has had a number of years in the games field.

I guess I was fifteen when I started working for him, and he'd been in the business some forty-five years down, all ready. His name is Gary Oviatt and he is with Lagoon Park just outside of Salt Lake City.

He is certainly one of the recognized experts in our industry. He will speak on cash control and some of the new methods, new ideas that have come out in cash control in the last twelve months.

MR. OVIATT: I am going to talk about cash control. And you know, I could stand up here, I'm sure, for hours and talk about this very important subject. You know, we all have a responsibility not only to the company we work for or its stockholders, but we have a real moral obligation to our young people to have as good a cash control as we possibly can.

The old adage, about delivering them from evil is certainly true. And I don't think that any of us here in this business can not give this part our full attention.

In cash control, it can be extreme, from one end to the other. From one end where you really have no control, to the other end where, as in Las Vegas, their total cash control is people watching people. And that is the way they do it. And somewhere in between is where you have to set your goals and perspectives or try to set up your cash control.

And I would imagine the things that you would think of would be: how much would it cost you, and what effect do you want it to have? And I am not going to attempt to tell you what you should do in your particular case. Today I would just like to go over one very simple system with you that works. It is excellent. If any of you wish to try it in your park, obviously, feel free to do so.

We are going to talk about this "Change Control Summary" hand-out and its implication to cash control.

One of the very best cash control methods in the games business is a system which we shall call change games. And the change game is simply a game or a method where you collect the money in a locked cash box. There are several ways that that money can get into that locked cash box. In a skee-ball machine operation, for instance, the money would just be inserted in a coin slot, and when the lever is pulled, the money automatically goes into the locked cash box.

Marriott has a cash control whereby the patron puts the money in a box, and the money falls down through and trips a meter. And the money eventually gets into a locked cash box. A very new way that is being tried on the West Coast is where the patron puts the money on the flat surface of the game, and this money is pushed into a slot where the money falls down. All along the game is this slot where the money can be pushed. The money falls down into a chute, into a locked cash box.

There are many ways that this money can get into the box but the important thing is that it does get into the locked cash box, and that the patron is the one who starts the money on its way to the locked cash box.

A cash control system is good where you utilize a change game. Anytime we put a new game in, and we can use a change game, it is bonanza for us, because the control is so good.

I would like you to write some figures down with me to follow how to use this form. It is actually very simple. I don't know how complicated it might look, but it is a very simple foolproof method.

Over towards the right of the sheet where it says, "Change" is the amount of money that a game starts with each day. Now a change control system is good, because the money can be reused. You don't have to have thousands of dollars for each game to operate on a big day. But this money can be picked up and reused. And this form really relates how that can be done. You will see that whatever game you have, you can operate with different change funds.

These particular games have \$200.00. One has \$1,000.00. One has \$500.00. It could be any different amount that you wish. So, the operator at the beginning of the day starts off with a certain amount of change. And all of the transactions that can take place during the day are on this form.

If it is a busy day and the operator is close to running out of change, this money can be picked up out of a locked cash box, counted and returned to the operator. And you continually reuse this amount of money.

Now, we'll just take you through some examples to show you how this works. Let's start with the first game, which is a twenty-one game, starting off with \$200.00. And I'm just going to go through step-by-step with some simple examples of what can happen. And then you will have this, and any questions, of course, we can talk about after. Okay.

For instance, a person walks up and gives the operator one dollar. The person getting the ten dimes in change goes ahead and puts all ten dimes in the machine and then walks away. Here's what happens to that form. The money at the end of the night would then be picked up and that would be called the "Final." And we've got this divided into units which you can convert to dollars. Using dimes as a simple method, there were ten units picked up out of the cash box. That would be one dollar. So, the final would be the "Sales Control" over on the right side.

So, you would enter one dollar in the "Sales Control" column. That would be the amount of money that you have to come up with, so put that there. Now to find the cash total of how much money the game actually made, you simply add the unused amount of money in the operator's uniform--of course, this would be \$199.00. You would enter that in the "Unused" column, that would be counted. Then you would add the "Final" amount, which would be a dollar; that was the amount collected at the machine. You add any coin and currency. This customer gave the operator one dollar, so you would add that. And then you subtract the change they had to begin with.

So, if you add the "Unused" amount, \$199.00, if you add the "Final," the money that came out of the machine of a dollar, plus any coin or currency which would be a dollar, that gives you \$201.00. Subtract out the "Change" of \$200.00. That gives you a "Cash Total" of one dollar. Compare that with the "Sales Control"

of one dollar, and you have neither a shortage nor an overage. It came out exactly right.

I have another example. If you had a pickup during the day, if it were real busy, they came and picked up the money and brought it back. Let's just quickly go through this and see how that works out.

Okay. During the day, just say that a customer bought \$200.00 --going down to the next end, the basketball--about \$200.00 worth of quarters from the operator. Of course, that's all he had. Gave him \$200.00. So, put \$200.00 down in the "Currency" column. We'll just try to make this a little more complicated. So, the operator is now out of money. The cash control auditor or whomever you would want to pick up the money, for instance the games manager, picks up the money of eight hundred quarters. That would be a "pickup." That money is then returned to the operator. Okay. Now, also say some people came along and spent another \$50.00. That \$50.00 goes in the machine, and that would be the "Pickup." So, if you have any--correction, the "Final." So, if you have any "Finals" and add the "Pickups," you add those together to get the "Control." So by adding the "Pickup" of \$200.00, the "Final" of \$50.00, you come up with a "Sales Control" of \$250.00.

Then using the same method we did before, the operator would have \$200.00 in change on his person. That would be added to the "Final" of \$50.00. They had "Currency" of \$200.00, and subtract out the \$200.00 "Change," that comes out to \$250.00.

Now, you put all those figures down there, that's what you'll come out with. And the overage/shortage, again, is zero. Again, I don't want to be too complicated here. But this sytem is excellent.

I am not going to go into other examples I've got, but it does work. And by using a change game method, again, I just want to emphasize how excellent I think this system is. And it can really be applied to any game you have. Again, using a locked cash box, the money can be recycled through the day. And this little form here will allow you to make all the calculations and figure exactly any overages or shortages.

A VOICE: Would this sheet be a little easier to use without the "Units." I don't understand why you keep "Units" and "Dollars."

MR. OVIATT: I guess it makes it a little more confusing. You can never make things really simple.

The reason we use the "Units" is because we are dealing with quarters and dimes. And when those units are being counted, it is just easier to write them down in "Units" and convert them to money later. However, whatever you want to do, if you want to eliminate the units--just write the money amounts--I think that would definitely work just as well. But that is why we did it that way. It doesn't mean it's the best way.

A VOICE: What control do you have over the person who's counting the money?

MR. OVIATT: Okay. Now, that really is the one, probably, glaring fallacy in this system. The best way to do that is to have a position we call a cash control auditor. But it has two different people picking up and counting the money. It really works the

best as far as a control is concerned.

Bob just mentioned that what they do, a double check on that, is that the boxes are metered, so that as a quarter goes into the box, you also have a metered count on that, as well as this kind of control. You know, you can spend as much as you want on a cash control system. And you just have to decide for yourself what really fits into your pocketbook and your operation the best.

I would like to see those of you who don't use this kind of system to really try it, because, again, I just can't emphasize enough, it works; it's great. Yes sir.

A VOICE: I am a little confused. If a person walked up, asked for change of a dollar--ten dimes, only spends five, could you explain that to me?

MR. OVIATT: Did you all get that? In the first example, in twenty-one, if the person comes up and gives the operator a dollar and gets ten dimes, but only spends half of them, here's what happens.

The "Final" would be fifty cents, instead of a dollar, you see. That's the money collected out of the machine. So, that "Final" is the "Sales Control," and that changes to fifty cents. And so, by going through the same calculation, you'll come up with a "Cash Total" of fifty cents, instead of one dollar. Do you see that?

You know, if I were able to sit down on one-on-one, I guess it would be easier to explain this to you. I worry about being sure you understand this, because it is such a good system to use.

CHAIRMAN LUNDQUIST: Thanks, Gary. Sherri Ferguson is the Games Manager at Circus World in Florida. Sherri has just had the unique opportunity of setting up an entire games operation. Games are new to Circus World. And she was instrumental in the setup and, certainly, in the operation of the games there. Sherri is going to discuss with you some new methods for merchandising games. Some things that have been tried recently with varying degrees of success, and some things that are different from just the ordinary, I guess, run-of-the-mill plush toys in games. But at any rate, welcome to Sherri Ferguson from Circus World.

MS. FERGUSON: I have been in the games business for six months, and I've learned a great deal in that period of time. I have found games operation to be a unique way of merchandising plush. The difference between games and a retail operation, for me, is that the player more or less determines the price. What will take one player twenty-five cents to win, will take another a good deal more. And they can still walk away without a prize.

For my operation, the State of Florida requires all games to be based on skill. The only chance involved rests upon the skill of the player. Of course, in everything, there is always an element of luck involved. But consistency depends on skill or playing until the guest develops that skill to win. And games operation, therefore, is based upon different variables. When purchasing merchandise, unlike a gift shop which knows exactly what the markup will be on every item, games merchandise is based upon the premise that with X number of dollars in revenue, your cost of goods should be 25-30%. That percentage is maintained by offering games which vary in the level of skill. At Ringling Brothers,

Barnum and Bailey Circus World, we refer to our operation as "Games for Children of All Ages."

We offer games where everyone wins something; or where there's a winner everytime among a group of players, as in a water race game; or where a definite skill is involved, as is the case with the machine gun game. Now, that variety of skills contributes to a balanced cost of goods. One game may have a 30% pay out, while a more difficult skill game will have a 6-7% pay out.

Now, consider a games operation that has a 25% cost of goods, a 20% labor cost, and possibly 10% contribution to the maintenance of the park. You are looking at an operation that would have a pretty healthy 45% bottom line profit.

Now, for those of you who are not yet involved in the games operation, but are here because you want to get involved, before getting excited about the profitability of the games operation, there is a lot more involved. A games manager must be daring and imaginative, because it is a difficult task to maintain a successful games operation. And one reason now is that we face a difficult future, due to the increasing costs of plush.

Immediate cost increases are not going to put us out of business, but we are going to have to innovate to protect our profitability. Now, we can do nothing about the situation except lower our profit margin, or we can search for alternatives to combat that increasing cost.

In discussing this situation with a few members of the games management community, all agreed that nothing yet has competed successfully with plush. Now, we are not going to replace plush as a main prize in games, but we can look towards solutions which would alleviate that higher cost.

Now, most parks have already used non-plush items. Some games have always used a mixture of plush or prizes such as posters, record albums or even goldfish. But all of these were mixed with plush or near games that exclusively used plush.

Plush is the attraction. The guest recognizes plush as a games prize, and you can't think of a better advertisement for your games there than having somebody walking around with an armload of plush.

Now, some of you may ask why we don't just go ahead and increase the price of playing the games. That is difficult to do, because we are limited to what we may charge. If we are not controlled by State laws as to what we can charge, we are limited by what the public will accept. Possibly in a casino gambling operation, guests, who have placed a different value on their money due to that atmosphere, may be willing to pay a dollar more. But guests right now in an amusement park will not. Parks dependent upon repeat, local attendance, which usually deal with a more fiscally conservative group, and parks which primarily depend upon vacationers, face a similar situation, because tourists travel with a vacation budget. So, if raising the price of playing a game is not feasible, we could look toward eliminating games which have a low level of skill involved, and therefore, a higher payout percentage. Or rework the game to use a lower cost prize. In doing so, the prize must have appeal and value to the paying and playing public, otherwise, the revenue will be reduced due to the

lower volume of play, and the cost of goods the same or higher than they had before. The cost is relative to the volume of play.

Eliminating pay out games can also hurt, because winners attract people. And in a games operation, people attract people. And there is nothing better than to have winners walking around with your plush. Guests enjoy winning, having people watch them win, and they like to see others win prizes. So, with plush as the main focus in games, we're going to have to work a little harder to find the right plush combination to keep costs down.

Among the plush categories at this time, the hardest hit items for increasing costs is crazy ball, because it is used on a larger number of games. I think we feel that the cost increases, because some of the manufacturers, in order to maintain price levels, have reduced some of the sizes of crazy ball items.

Now, this can cause some problems in display. They offer items that look a little more natural, and they are very nice looking. But if you have got them in a big game that has the other size crazy ball on it, there is something about the psychology of winning, which induces a guest to try to choose that larger item. So, you may have all these, you know, nice looking pieces of plush that are smaller and on the game, and they are taking the larger piece. So, you have to mix and worry about your sizes when you're putting them on the game.

As all the sizes tend to decrease a little and become the same again, that problem may be eliminated. But then, you still have to look toward offering a prize that is valuable enough in the guest's eyes to play for.

In other categories, however, the increasing cost can be fought by mixing price points; purchasing items that are similar in size and quality, but involving different price points that can help decrease the total cost of goods. Now, I've noticed some games around the country that are flashed with one item, usually coming in only one color. It has been my experience that the same rules in display of retail merchandising holds true in the games operation. There should be a variety of styles and of color. For example, we have Polar Bear Pitch, a die pitch game where a large white polar bear was offered exclusively as a prize. Now, the idea was to attract guests who had just observed the performance of the ten trained polar bears that we have in our live circus show. So, we opened this summer with dozens of these large white, polar bears flashed in the game, but we were disappointed with the revenue that we had. So, after setting the display, we considered flashing fewer polar bears in order to allow the features to stand out. Now, that would have helped, but the game would have looked a little bare, no pun intended. We finally decided on adding color by adding a multi-color plush clown that we had, comparable in size to the polar bear. We experienced an increase in revenue. The color framed that polar bear, and it made it look more than just a mountain of white. So, we, at the same time, experienced a reduction in the pay out percentage, because the clown just happened to have a lower cost. The polar bear remained a popular item, but guests had a choice now, and they also chose the less expensive clown.

Now, some of you may think, that is always done. But since I was so new to the games business, I didn't know that you could. So, we found that mixing the price points gave us the right kind

of combination that was suitable for us.

For example, if you had like sixty dollar stock, you would look for something that wasn't as expensive, but was comparable in size and quality. And in doing so, we experienced a reduction, as much as 15% in the pay out in an individual game.

Now, you also may ask, again, why we didn't just put \$30.00 stock on that game. In the first place, in our operation, we have quite a few games. We have thirteen games. And we had a problem in finding a variety of styles and colors in some categories in plush. There are many manufacturers that offer plush, but I think part of the problem with the variety is that the public likes certain types of prizes. They like the bears and the dogs. And other types of animals that are given out each year vary. They are almost like a fad. One year you're going to have a terrific experience with a polar bear, and the next year do nothing with it. So, a small operation may not have a problem, because they have fewer games and they have more a leeway in combining plush together.

In our view, each game should have its own individuality, so we try not to put the same prize, you know, on like ten games. The attraction of plush varies, and the games vary according to the type of crowd that you have in the park during a particular week or season. We still have great success with our basketball game. And I can put anything on that game and still not affect the revenue. But I've talked to other parks who have seen that basketball game popularity come and go.

Some parks are no longer successful using alligators or sharks. But in Florida, because of our location, that is a very popular item for us. And polar bears since we have the live polar bears there in the park. So, there is more to the selection and display of plush than meets the eye.

Again, mixing plush with different price points that are similar in size and quality can help reduce a pay out percentages in an individual game.

There are other games operations around the country that are using plush that costs as much as a hundred dollars a piece. Now, that item is used in games that offer a build up or a bonus prize. And the idea behind using that more expensive plush is to attract guests to the game, get them to play that game, and get them to play longer trying to win that larger item. And again, the higher the volume of play, the better your pay out percentage will be.

Purchasing non-plush items that have a lower cost and also have appeal and value to the public is helpful. Some game operations have used inflatables, for example. Sixteen-inch inflatables which come in a variety of style can be purchased for as little as three dollars a dozen. And the display is not difficult, because they can be flashed in much the same way as plush is. And you can get an inflating machine costing around \$1,500.00 to inflate them. The item comes in a poly-bag, and it can be easily stored. It would be difficult to use inflatables exclusively, however, because it takes a tremendous amount of labor to inflate the necessary number needed for a day's give away. Also, once the inflatable is blown up, it is difficult to store. Giving the item away in a poly-bag, also, will not advertise the games area, because guests seeing that item will either assume the item is purchased in the gift shop, or they won't even notice it. So, inflatables can be used in games that offer a variety of sizes or a build up, but you may not want

to use it exclusively because of the advertising factor.

The use of mirrors which have designs embossed on the mirror has also been successfully used in some games operations. The mirrors come in several sizes, and they cost as little as three dollars a piece. I was told that a machine gun game at the Texas Fair in Dallas found the mirrors to be highly successful. In the words of that person, "It was just like they walked off of the place with, you know, these mirrors." And I thought that was kind of unusual, because I never would have thought of putting mirrors with a game that you use like lead shot or anything like that. You'd think a soft item would look better. But they had a lot of success using those mirrors. But I have heard from others who have just had moderate success.

The use of mirrors or any item as a prize would depend on where, what game it is used on, and how you display it. Right now, nursery plants could be a very good item to offer as a prize in games. The plants are available in a variety of sizes, and a wide selection of types. This would depend on the proximity of the nursery wholesaler to your location. The storage would also involve a little more than plush, because you don't want to put it into the sort of atmosphere that will cause the plant to die.

Where I came from in Polk County, the nursery plant retailing and wholesaling business is a multi-million dollar business. Within the last two years a lot of people, who started out very small, became very rich selling nursery plants. And nursery plants sold in supermarkets retail for as little as 99¢ a piece.

So, that would also make a nice display in a game, if you wanted to use it, because you can hang them. And because of the size, you can get a plant that is, you know, almost the size of a rag that would be about the same cost, but the value to the guest's mind will be that that is a plant that is going to grow, so it's going to increase in size.

Another possibility are candy suckers. Suckers can be stored fairly easily. And the color selection can make an excellent display for you. Now, you can find suckers for less than 30¢ a piece. But keep in mind that candy can also have a higher damage factor due to breakage.

Buying close-outs on retail merchandise is another way of finding games merchandise that would have appeal and value to the public. When selecting these items or selecting any, even plush items, there are five factors which you have to keep in mind when selecting them. That is--cost and appeal of the item, display-ability, the stock-ability, supply, and advertising.

If an item does not meet the requirements of at least three of five of those factors, then it is possible the item will not be useful to your operation.

Supply and advertising depends on how and where the item is going to be used. You may want to buy it in a small quantity, so you can use it for an attraction and then go on to something else.

When purchasing retail merchandise for the games, it is best to look for items which are not currently being offered in the gift shop, because I think you will find that guests will become very angry if they see an item being retailed for less than they

spent to win the prize in the game. Also you could have security problems using the same type item unless you tag it to show that it was won in the games and not taken out of the gift shop.

Some games areas also offer prizes with the park logo on it. Now, the use of these souvenir items could hurt retail sales in the park. So, unless the item is exclusive, you may not want to use logos on games prizes. But there are quite a few parks around the country that have these items, and they are very, very happy with the selection.

Again, close-out items can be used successfully in parks that depend on repeat, local business. Buying these various items in limited supply offers a chance to keep your display changing, to keep your local attendance, your local people attracted to your games area.

(Whereupon a slide presentation was made.)

MS. FERGUSON: There is one other possible solution to the increased costs that I am talking about that I am going to throw out for you to think about. It is quite possible to have an entire games operation which utilizes some form of coupon redemption center. And a lot of you are familiar with the skee-ball fascination operations. What I am proposing is having coupons on every game. The coupons can be offered in conjunction with plush, where the winner chooses one or the other.

Now, Mary Bendon of Peony Park in Nebraska told me she uses this type of system. And the idea is the guest can choose the plush or the coupon. If they take the coupon, then they can play and keep winning coupons until they can redeem a more valuable prize that they have seen in a redemption center.

Now, to take this one step further, it would be interesting to offer coupons exclusively. For example, each coupon could be worth 15¢. So, an item retailing for \$1.25 would take three or more coupons to redeem. Twenty-five cent games would award two coupons for a win, while 50¢ games would award four coupons for a win.

Now, the coupon system would offer the opportunity to keep your games flashed with plush. If the costs keep rising and become prohibitive to a regular operation as we know it, and a redemption center would also be offered with a store for non-plush items. Now, the feasibility of this type of system depends on how well it is received by the public.

A coupon system also involves a different tax schedule. In some states, you'd have to pay a full sales tax, because they would view that as total merchandising. And you'd have problems with employees maybe wanting to give these coupons out to their friends, to get in and get a television set for them. And there are those of you out there, I'm sure, who can find a better way of working the coupon system, but it is just something to think about in the future, maybe ten years from now. But as costs of all goods continue to increase, coupons could be something that we would have to use to remain viable in the market place.

Now, I hope to have mentioned some solutions to the problem of increasing cost of goods that will be helpful to you. My suggestions may sound simplistic or old hat, but experience has shown me that we often overlook the obvious.

I would like to thank Frank Napf of Cedar Point, Ohio, Mary Bendon of Peony Park, Nebraska, Lee Graham of Great Adventure of New Jersey, and Shirley Bazenay and Stan Mincker, for explaining their operations and their experiences to me.

A VOICE: Has she ever used non-plush items, like houseware or other forms of merchandise? In other words, basically, your games are plush, which attracts heavily the youngsters and the teenagers. What do you do to get the adults to spend money on it?

MS. FERGUSON: Again, from my limited experience, I have found that the adults are just as crazy about the plush as anything else. So, usually they tell me they're winning it for their grandchildren or something. In my operation, since we are so new, I have used very little non-plush items, very few. And what I am looking for in the next couple of years is introducing some of those items to see how popular they are. I have used some of those type items, but I don't have a redemption center for my skee-ball operation. We offer just exclusively plush, but we do have some cloth items on it. It would be difficult from my experiences to really answer that question because of where we are in Florida. At this time of year we get quite a few senior citizens in. They like the plush almost as much as the younger crowd does.

CHAIRMAN LUNDQUIST: The next speaker is Watt Burris. He is the Director of Merchandise at Carowinds, and he is going to explain to you how you can build those games that are displayed in the back of the room for your very own park. And he has all of the details, and some of that information is contained in the brochure you have in front of you there.

MR. BURRIS: I am here this morning with my ideas and some ideas that I've gotten from a lot of knowledgeable people. The ideas that I have are not the gospel, so to speak, because I am sure that for every idea I have there could be, it looks like, three or four hundred other ideas out there that would be equally as good.

Let's go on with the games that we have set up out here. And I will try to explain to you as best I can what we did last night in setting these games up. Now, if you were fortunate enough to get one of the red folders, inside you will find a pamphlet with Mr. Flintstone trying to knock the bottles off the table.

The first game presented there is the 64-ounce soda pitch. But next year at Carowinds, we will be setting one up similar to this, and we will be setting one up that we had this past year which is a little different.

Let me first explain how this one was done in here. And I will show you, or I will at least try to explain to you how we did ours this last year at Carowinds, and it was quite successful.

This particular one back here uses a regular 64-ounce bottle. It is made out of glass, not plastic. Plastic will not work as well. It has a top on it which is very similar to the smaller Coke bottles. And this is very important. And it also has the rim around the top edge, which is extremely important.

You use a one and three-quarter inch diameter ring. And if you will look, it looks simple. It looks very easy. And that is one of the keys to any game. The fact that it is simple, and it looks easy. It looks like anybody could beat it. But a phenomenon of this thing is that if the ring goes over without touching

the top, it'll hit this lid. Then there's no telling where the ring will wind up, because it just keeps right on going.

We had several winners this morning; I wish we could've had a great deal more. But normally, you would use a piece of plush in that particular game that would use \$30.00 stock. And have specific bottles which will throw that piece of stock. Now, the other bottles will throw another piece of stock, which would be valued at about \$10.00

On that particular game, the game is built in such a way that it does have a ring return. If it does not, it is a problem digging the rings out. We found that out in our other games that we had this year. The ring return, if some of you want to stay around afterwards, when most of the people have left, we will show you how that ring return was built inside. It is nothing but a piece of masonite on a slant that does bring the ring back to you rather nicely. As a matter of fact, some of them rolled out across the room.

The bottles are situated about eighteen inches off the ground. This particular bottle is more difficult if it is low to the ground for the simple reason that the ring has time to build up more velocity as it is falling, and when it touches the bottle, it will bounce higher. This is directly opposite the small ring toss game, which we also have at Carowinds, which seems to be more difficult when it is about 36 inches off the ground. So, that is a little something different about this one.

And what we intend to do next year at Carowinds is offer two types of prizes at this particular type of ring toss, a ten dollar and a thirty dollar prize.

Now, the pricing structure on this will be three rings for \$.25, seven rings for \$.50, or fifteen rings for \$1.00. Now, if this does not work out for us, we will go to three rings for \$.50, and seven rings for \$1.00, or just whatever we have to do to get our percentages. And we intend to throw about 30% stock in this game.

We feel like it will be a real good game, and I feel like we owe it to the public to give them a little more for their money than they are used to getting. It is good P.R. for our park. It would be good P.R. for your park also.

We had the bottles side-by-side, just jammed right up, close together. We had a two and a half inch rubber ball between each bottle that kept the ring from falling down in between. We still had to dig them out, but it was much easier than it would be if the rings were, or if the bottles were eight inches on center. And that's what, by the way, the bottles should be eight inches on center. In this particular game, they are not, but that's as good as we could do last night on short notice. Last year, the bottles were side-by-side. We gave away \$6.00 stock. And the game varied from 25%-30% give. I would say it was more in the neighborhood of the 25% give on most days.

The next game would be the goblet pitch game. It won't take long to discuss that one. It is really just a take-off on the muffin tin game. We intend next year at Carowinds to have both, because we will be offering different stock in each game, and I do believe that there is enough difference in the two games that it will generate interest in both areas. I do like the goblet

game, however, as opposed to the muffin tin games. In that you can change your odds by simply picking the goblet up and replacing this red one with a white one. If your percentage of give is not where you want it, no matter whether it be 10% or 50%, you can change it quickly. You don't have to run out and buy a muffin pan and repaint it or repaint the ones you've got. And I can tell you, some of our muffin pans had about a quarter inch of paint on them until we finally got the odds we wanted this past year. It was almost like the ball was rolling up hill to get in the hole. So, there were times that the muffin pans, you know, made it difficult to change the odds, but with this one, you can change right away.

We were lucky enough at our park that two hours after the park closes, I can tell you what the percentage of give was in every game we had that day. So, we can make immediate changes the following morning. So, we are lucky in that sense. But I think that this, the goblet game is going to be a good one.

The pricing should be about \$.25 per ball. Now, you can go \$.50 per ball, but I think that is steep. You could give away a Rolls Royce if you wanted to at \$.50 per ball. But it should be about one winner for every 24 goblets that you would normally have.

Now, we assembled that game so there would be more winners. I see a number of people out there with the moose. About one out of every 24 goblets should be a winner. And about one out of every 10 winners should be a gold goblet which you saw in there. And that is the large moose that I see a number of you have out there.

The price range on these could run \$1.20 to \$1.75, small; and \$8.00 to \$12.00 on the large, depending on what you want to give in the way of merchandise.

The toy block game is one that we set up right here. And normally the stock that you would use in that game, and the stock that we intend to use in the toy block game next year will be \$10.00-\$15.00 stock. Now, the stock we are using out here this morning is not quite that large, but you can get some idea what it would look like.

This is a seven-inch ring. By the way, it is nothing but a knitting ring (referring to an embroidery hoop). It is the outside portion of a knitting ring that goes inside, and holds the material tight. Now, this particular block can be purchased at a number of your game supply distributors. And it is six and five-eighths inches in diameter. I don't believe you'll have a great deal of winners with this. But I do believe that if you give stock away there that is valuable enough, you will generate enough interest, so that you will have repeat plays on this.

We are going to put it in. I think it will do well for us. If it does not do well, then we will go to a larger ring. It's simple enough. We'll go to a seven and a quarter, seven and a half inch ring. This ring is seven. It gives you a three-eighths of an inch clearance all around.

We had, I saw two winners this morning, and did not pay real close attention to that particular game. So, I know we did have some winners, and had we been giving away \$15.00 stock, our percentage of give would probably have been rather high. So, I do think this game will be good for us, and it could possibly be

good for you.

One game which I noticed generated a great deal of interest was that set-up of Coke or, in this case, Seven-Up bottles.

The game has several drawbacks in that it plays slowly, requires that you have a large number of positions for people to play and requires a good bit of space. We are going to have fifteen of these next year that people can be playing at a time. I don't know how long it is going to take a person to play this. It is new to us. I know they use this in Texas. And they say it was doing well for them, so we are looking forward to giving it a try, anyway. We're going to use them in a five-sided building, so it'll give us plenty of room to play the thing.

The dowel that we use is a thirty-inch dowel, about ten inches of it being blue. And that is the portion that you must hold. And the remainder of the dowel being yellow, and that is the portion that you cannot hold. The string can be anywhere from 40-60 inches long depending on how difficult you want to make it. And believe me, the extra few inches makes a lot of difference. And so, the ones you were playing with this morning were 40 inches long. And this is as short, probably, as you're going to go. We had a number of winners, I saw, this morning. And you can get good at this, and you want to make sure that you do have a limit prize on this, because somebody can come in the park that knows how to do it, and they can clean you out as some of you well know, I'm sure. So, make sure you do have a good limit prize.

The ring that we use on this is exactly the same ring you use in your 64-ounce bottle game. All we did was take the 40-inch string and tie it to a one and three-quarter inch inside diameter ring that we are using in the 64-ounce Coke game. We've got a major portion of our game.

The table that it is setting on is nothing but a three-quarter inch piece of plywood with formica. And on the bottom it is made in such a way that it will sit on the stand that we prepared for it. Now, there is one little item here that some people may disagree with. But I must go by what I was told by a gentleman up at the Wisconsin State Fair this past year. And that is that the back of the board has to be elevated one-eighth of an inch. And you see, I have got a strip right here. Now, you may have some customers that think that, oh, you're cheating; the bottle will roll off; it is not flat. But according to what I was told, if the board is flat, you cannot do it. Because as the bottle tips forward, it must hit a slight incline to keep it from tipping on over. So, the one-eighth inch is what keeps the bottle from going on over, once you get it up.

Now, I'll try to show a few of you how to do it when this thing is over with. Occasionally I can do it, and occasionally, I cannot. But it is a neat game. And we are experimenting with it. And I am not going to say that you ought to try it or you should not try it. It is entirely up to you.

For this particular game we will charge fifty cents and we will give away \$8.00 stock. The merchandise that we have picked out to go in this particular game is going to really make it go for us. Now, if you want to use smaller stock in the neighborhood of \$5.00 stock, you can charge a quarter. But I do believe the capacity is going to be a problem in this game, so we need to get

all the money out of it we can per player.

A VOICE: Do you all feel like it is better to give fewer jumbo prizes or more of the smaller things? How many winners per hundred plays does it take to generate the increased player--

MR. BURRIS: Simply, that is the very reason that I get a percentage give sheet put on my desk every night, so I can compare the percentage of give versus the revenue taken in that day. And we play with it. I don't think we had our games really solid until the first of June. We give away a lot of things to see how that effects the percentage of give, or we give away smaller items, or let's say, we give a larger item. We play with everything. We move our stock around.

If you came to our park in June, and then came back in August, you wouldn't see the same merchandise on the same games. We keep it moving.

A VOICE: It said in one of the Acme books in here that to maximize profits from games they recommended somewhere 40%-60% give away.

MR. BURRIS: I think you should re-read that. They suggest 25%-30%, and they say there are some games, some people that would prefer to go on a higher gross volume basis. I don't think that they said forty to sixty percent was made for everyone. It is a decision you have to make for yourself. Carowinds gives 25%-30%. Most of the other parks fall in that particular neighborhood with the exception of a few particular games which they let run, so to speak, because it creates interest in the area.

A VOICE: It's just a general question. At our park, we have a couple of dime games. Is there any way that anybody in here has like little packets or something that they can give out a dollar's worth of dimes, instead of counting them, to make the game go faster?

MR. BURRIS: We package them in amounts of five dollars, and they go very quickly.

A VOICE: We get the five dollar roll, but the operator has to pick up ten dimes at a time. Is there any way that you can like just put them in packets? We tried to pack them. We had a problem. Is there like a machine or something that you press that ten dimes come out, and the games go by a little faster, so the operator doesn't have to keep counting?

MR. LOVERING: If an operator is really well trained and is really on his toes, we have found that he can make change from a dollar faster than the machine can by simply training himself to put out the money and put it in his hand, the patron's hand. They can really do it faster than a machine can. That is for one dollar. They can't for five. For one dollar, a good person can. Just have them practice a lot of getting out ten dimes, develop a good method to count it out real quick.

MR. BURRIS: I did see a machine in Gatlinburg. They had an arcade out there, and it was dispensing quarters. They may make a dime machine. All he had to do was punch a lever, and it pumped out four quarters. Now, perhaps, there is one, a machine that would pump out ten dimes. I don't know how practical it would be to use

in a game, though, where the attendant has to move around. Because somebody has to be accountable for that money. It can't be left alone.

A VOICE: This toy block, have you used it?

CHAIRMAN LUNDQUIST: Yes, yes. We put it in our Chicago park, this exact same thing, about three weeks before the end of our season. And it was, it was very satisfactory.

A VOICE: And how high did you have that one?

CHAIRMAN LUNDQUIST: My Chicago Games Manager is in the back, Scott. Scott, how high is it from the floor?

MR. BURRIS: I know how high ours is.

CHAIRMAN LUNDQUIST: We built a platform which, I imagine, was six, eight inches and had a large jumbo piece of plush set on top of that. How high did the block sit off the ground in Chicago on this?

MR. LOVERING: It was the height of one of the jumbo French's so it's about two and a half feet.

CHAIRMAN LUNDQUIST: Two and a half feet. Watt says forty inches. I think you can vary that height without it having a drastic effect on the plush. I know we tried several different heights and just played with it till we got the percentage right.

Ladies and gentlemen, thank you for attending. And I would also like to thank all of those members on the panel. I appreciate your attendance.

... The workshop concluded at 12 noon ...

GROUP SALES/PICNICS WORKSHOP

WEDNESDAY, NOVEMBER 15, 1978

GWINNETT, DEKALB, PAULDING & DOUGLAS ROOMS

The Group Sales/Picnics Workshop convened at 10 a.m., William D. Evans, West Point Park, West Point, Pa, presiding.

CHAIRMAN EVANS: I'd like to welcome you to our workshop - "Picnic Parks Are Alive and Well - Or Are They?" Our object is to evaluate the importance of group business to each individual facility, as well as the industry in general.

Now, although we'll use the traditional picnic park as a main vehicle in our discussions, I feel that any facility they use as group business or has group business--wants to gain group business, should learn something of value here today.

Let's take a poll of the room. I think that would be a good way to start - just to see how we stack up group-businesswise, with a show of hands and see how many parks--how many facilities do fewer or do less than 10% of their annual admissions through group business--less than 10%.

(Show of hands.)

How about parks doing group business over 10%, but less than

50%?

(Show of hands.)

Fairly substantial. Parks doing over 50%, but less than 75% of their total admissions through group business? Anybody at all?

(Show of hands.)

Okay. 75% category - and we're in that.

(Show of hands.)

As a matter of fact, I'm from a small park - West Point Park - and over 95% of our total business is via the group business.

It looks like we have lots of interested parties, as far as group business is concerned. Our approach is going to be four-fold to the subject.

First of all, if you recall--you received one of these via the mail - IAAPA - and with it, we gathered some statistical information. We'll be going over that in a little while.

Next, we'll call upon our panel of experts that you see before you to tell us something about group business in their operations. Incidentally, our panel is a little unique. Not only are they extremely good-looking and well-to-do, but they all have one other quality in common. They're all in the state of Pennsylvania. I felt that this would be a little different and, perhaps a unique approach in looking at group business for a couple of reasons.

One, Pennsylvania is well-steeped in the tradition of the amusement park--picnic park. There are many, many parks existing today and most of those before us are traditional park people. There has been a tremendous attrition rate of nearly 50% of the parks operating in the state of Pennsylvania during the past 15 or 20 years, with such greats going down the tube - Winter Grove Park, of John Phillip Sousa fame; Westview Park, in western Pennsylvania, and most of the smaller parks in between. There are parks in Pennsylvania, however, that are still alive and well.

Now, once again, you see these people before you. These are the survivors. I hope that today they will be able to tell us, in their own inimitable ways, the reasons for their survival; how, in this period of high attrition and mortality, they were able to see things that other parks didn't see--answer questions or make changes that other parks failed to do, and survive with us today.

Next, on part three, we're going to a question program. Primarily, these are questions we have received directly from you, via the statistical material--in some cases, or verbally, which you've asked of us over the last few months.

And, finally, time allowing, we'll open discussion to include the entire floor, inviting you to join in to ask questions of our panel and bring up information or points or topics that we have failed to cover, up to this point.

So, let's get back to the statistical survey part that we discussed a little earlier. First of all, I notice that many of us find - and as we hoped--approximately 75% of the parks--the

findings indicated that their group business is greater today than it was 10 years ago.

Generally speaking, the older the facility, the more likely this is true. Surprisingly, a full 30% of those responding indicate that over 50% of their 1977 attendance came from booked group business. Now, we kind of feel--again, to put this in the proper perspective--that even if you don't own a picnic table, that if you have a desire or interest in the group business--that you know that this is all relevant to you--that the parks from Pennsylvania - the panel members - enjoyed a whopping 70% of their attendance --of their attendance, annually, from group business.

This is one of the reasons why we kind of feel that by doing an in-depth market study of this one particular area - in this case, the state of Pennsylvania - instead of hop-scotching all over the country in a park here and a park there, that we could analyze this and maybe come up with some pretty good answers. And, again, 70% of parks in Pennsylvania--70% of attendance comes from group business. This is surprising, because many of them are much higher than that, but the percentage figure is held down slightly, because several facts, like Hersheypark.

Now, Hershey, of course, has become a fine theme park, with a very high percentage of its annual dependence coming from transient-type business. Unfortunately, only about 5% attendance comes from group business.

You can see that many of the other parks are substantially above 70%. And, finally, there was an overwhelming indication from those responding to the statistical material who had the desire to either--"How do we get into the group business, or how do we improve our group business?" Consequently, we feel that there's enough indication here to merit the workshop. We can't exclude the idea of group business and its importance to it.

Now, let's get back to our panel. First of all, I'd like to tell you a little something about our past, present and future prospects of group business and its facilities. Our panel, which I will call upon to give us an indication of how group business is in his particular facility, what he thinks of his prospects now, in the past, and in the future. I'll be calling on Scotty MacDonald, from Idlewild Park, in Ligonier, Pennsylvania.

Scotty is the past president of the IAAPA in Pennsylvania. Scotty reports that over 90% of his total attendance is through group business, which certainly must certify that Scotty is an expert in this field. Scotty, would you please be kind enough to tell us something about your group business?

MR. MACDONALD: I can't tell you how happy I am to sit down. The question is whether picnic parks are alive and well.

Ours is a traditional park about 50 miles east of Pittsburgh. It's, basically, a family picnic park. We have, so you can gauge yourself against the size of ours, about 350 employees during the peak season. We have about 300 acres that are part of the park property--that are really used, plus some other acreage that is, right now, undeveloped. We have, approximately, 11 picnic pavilions. The largest of them can hold 1,500 people - the smallest, about 75.

Our attendance this season is somewhere between 300,000 and

400,000 people. There is no admission charge, but we have a parking gate. It costs a dollar to park, whether you have one or 20 people in your car; it really doesn't matter.

We really do depend on the booked picnic. It's our life-blood. The attendance, if you add them up everyday, from the booked group --it may not be 90%. People who come in as walk-in business, normally, are attributable to a booked picnic prior to that, whether it was a family reunion or a church group or whatever.

We don't have pay-one-price. We have universal ride tickets; we have universal food tickets, with the occasional exception of catering. We do have our own in-house catering for not only food, but beverages, coffee, soft drinks - whatever. We allow no alcoholic beverages on the park property whatsoever, and that is a saving grace for us. It's a family picnic park. It makes it so that the family with small children can enjoy themselves. It cuts out the rowdyism and cuts down on security problems. It's just been fantastic. We've had that rule for over 100 years - although I've been know to take a drink occasionally for medicinal purposes only - it will stay for another 100 years.

I think, rather than my rambling on about our operation individually, I believe you have some folders there in the chairs with you--some of you asked some questions on the group sales. Do you? No? Wonderful. I'll use my sheet.

To help us in discussing this, we felt that questions and answers were going to be the best deal, and I went down a questionnaire that was sent out to the panel. Is that all right with you, Bill? All right. I won't do that.

Let me give you a little bit of background as to how our group sales office works. We have one full-time group sales individual whose responsibility it is to book picnics - and I will say this: there's a little trick in our business, that if we don't have all of our picnics booked by the end of this season for next season, we're in big trouble.

The day the group is in, we'll have them into the office, talk with them and so forth and so on, and they will sign a contract, 99% of the time, for the next year - probably the same date or close to it - that fits in their schedule.

As we know, the easiest days to sell for groups are Saturdays and Sundays. If we had seven Saturdays and seven Sundays, we'd be in great shape. So, really, what we have to do in the off-season is to try and sell those off-dates. There are several ways to go about it. Maybe I can be of help to you.

The first thing you have to do is decide in group sales what it is you want to sell, whether you want to pick up an off-time part of your business or whether you want to pick up an off-section of your business. Once you've decided what it is you want to sell, then you try and figure out how you want to sell it.

Now, these sound like very uncomplicated questions, but they are not. You need to have a better mousetrap than the next person down the road. Sell what you do best. And in our case, what we do best is service.

If you're going to have group sales, you don't just sign a

contract, sell a whole bunch of tickets for admissions and discounts, and forget about it. It doesn't work that way. You have to work with the individuals. You have to work with the picnic committees and so forth. You have to spend time with them. You have to b.s. with them, if you'll excuse my French--pat them on the back, and do whatever is necessary to keep them happy, as long --in our case, as long as you follow your policies. There, again, the business about alcohol - we will not bend on that. There are certain things we will not bend on.

Most of our picnickers have been with us a number of years and know this. The types of picnics we get, as I said, range from --some of your unions - 50 or more people - up to industrials of 10,000 or more. We do not sell out the park to one individual picnic. 90% of the time, especially on Saturdays and Sundays, we have, usually, six or seven different groups in.

We have facilities for games, races, softball, and so on. I'll give them use of the p.a. system and so forth in their pavilion--set them up. We give them personnel to follow them around, to see that they get their games and races over with, and this type of thing.

Our sales person will sit down in the fall, after we've got most of our picnics booked for next year, and we can see where we're light. Last year, we could see that we were light, as, probably, all of us are in this room--weekdays and evenings. In our case, we decided to try and sell it.

The trick we came up with this year was we had a thing called the "Fun-Package." We tried something new for our sales. We came up with a p.o.p. price, which included parking--a pay-one-price type of arrangement for the rides and meals and swimming. We tried to sell it to small groups - small savings and loans, banks, and --this type of thing. We were talking about an attendance figure of 50 to 200. We were trying, hopefully--in our wildest dreams - of talking about handling six, seven, eight--ten groups a night.

I must admit to you that we did not do that. But I will agree that the program itself will work - especially for us.

We made one mistake. We said come and swim, and the program was to start from 4:00 on, 'til we closed at 9:00 at night. We wanted them to come and swim. Unfortunately, we closed the pool at 5:00. That's a long story. But it will work for us. What we'll do is change the swimming program to, probably, miniature golf or a trip through our zoo.

Again, this is our better mousetrap. I'll send this one sales person out on the road. We'll, also, take our other staff people - food and beverage, games, merchandising - in the off-season, when they're just walking around the park with either a hammer or a piece of paper in their hand, hiding from me--I'll send those little devils out on the road, knocking on doors.

We don't use a direct-mail soliciting situation. We use mail only for thank-you notes. We do not send out blank direct mail, nor do we have a mailing list, other than our picnickers we've had in before. We send people out and knock on doors and, then, you follow it up, approximately, once, twice, five - whatever times it takes - the fellow at the Chamber of Commerce meeting - whatever --you just keep after him.

The thing that I think that has really helped us and has made the business so much a part of our life-blood is the fact that the person that you take care of--from the union that's a pain in the keister--on Sunday morning that want the coffee at 9:00 and so on, and there's 25 of them and they're only going to spend \$5, probably, is the picnic chairman for the large industrial that's going to spend \$40,000 in your picnic park the next Saturday, so you've got to treat them all the same and be nice to all of them.

So, this is the key: knock on doors and don't be afraid to sell your mousetrap and give the service, and it'll come back ten-fold. Thank you.

CHAIRMAN EVANS: Thank you, Scotty. Let's take a moment and see what advantages there are, possibly, in dealing with group business. I've jotted down a few here.

First, controlled clientele - in quality and quantity. As an example, we at West Point can often pinpoint our prospective weekend business a week in advance and come within 50 people, as far as forecasting. We've been dealing almost exclusively with the groups and are able to keep undesirables out of the park, so this has certainly got to be a plus--with controlled clientele, both quality and quantity.

Secondly, we can operate almost exclusively of the weather, regardless of what the weather conditions are. Because of the nature of the business, the group business and the pre-ticket sales, we find that we operate rain or shine and, if we cancel out or postpone one day a year, it's unusual. Usually, it's at our institution--achieving it, either because we feel that the forecast is so horrible that the next few days are going to be solid rain, then we may get on the telephone and postpone, but, again, we operate rain or shine, regardless of the weather.

We consider this a real plus--prestige. You end up dealing with famous corporations, like A.T. & T., I.B.M., and so forth. You know, this is a little bit of help, as far as name-dropping is concerned. You can say these people were at the park last week. They are excellent techniques to attract other industries or unions, or what-have-you.

And, finally, another important aspect of doing group business is the opportunity to develop packages. We find that most of the time that the groups using our park will greatly involve everything from fully-catered to fully beveraged--group packages right on down the line. So, it's an excellent means of developing your program.

Next, I'd like to call upon Randy McCann from Hersheypark, in Hershey, Pennsylvania. Now, Randy is Hershey's assistant food service manager. As you recall, I mentioned earlier that, although only 5%, currently, of the business reported from Hershey is the group business, it has not always been that way. Hersheypark has a rich tradition as a picnic park and, certainly, a group picnic park. Because of the transition in the last few years of becoming one of the great themers in the country, maybe Randy can tell us how they feel about this--the basic switch from a group operation to a theme park.

MR. McCANN: Good morning, everyone. The first thing I'd like to correct is I said 5% of our business is group business. Our sales

manager is sitting back there. I know he is cringing in his seat. The total gate admissions from group sales, certainly ran between 25 and 33%--5% of that is group picnic business--sold and catered and special consignment.

I'd like to tell you a little bit about Hersheypark. It was founded in 1907 by Milton Hershey, who developed the Hershey Kiss. It was, basically, founded as a family park, not a picnic park. It was a family park where families could come and ride the rides, rent the canoes, and it continued in that aspect until 1971, when we underwent a major operational change. Now, we are a major theme park. We have pay-one-price admission.

The park has, approximately, 1,600 seasonal employees at the height of the season. We have a full-time staff of around 300 people.

Scotty talked a little about his people, about how they go out and sell the park. I'd like to tell you a little bit about our sales department. Our sales department is headed by a director of sales and promotions. He has a sales manager working for him, three territorial sales managers, and one specialty sales manager. The specialty sales manager handles only park sell-outs. In a given season, four to six days of the week--four to six days of the season, we'll sell out the whole park to a special group. This young man is in charge of handling all the arrangements for that.

The three territorial salesmen are on the road five days a week. In their respected areas, they will make cold calls--four to six a day. Cold calls, as everybody knows, is when you just pick a place out and walk up to the door and say, "Hey, I'm from Hersheypark. Let me tell you about it." He has a ten-minute slide presentation he takes along with him. He tries to get in to see the president or anyone in charge that can promote a group picnic.

The best way to sell anything is through personal contact. We use the largest direct-mail approach. Also, our direct-mail, presently, has approximately 40,000 names on it that we can draw from. All 40,000 are not mailed to at all times, but we have the background to do this.

In 1971, when the park changed over to a theme park operation, it was the first year we decided to go into group sales. To get into the group sales business, a lot of it depends on the park strategy for the caterings, the picnic caterings. We have four picnic groves. We have one public grove that will seat 1,500 people; we have two private groves at 500 each. We are very fortunate in that we have an indoor arena complex that will seat 1,000 people at a time. We have no rain-outs, so the picnic business is a very important part of our operation.

CHAIRMAN EVANS: Thank you, Randy. Thank you very much. Okay. The next person we're going to call upon is Mel Heavener, from Bushkill Park in Easton, Pennsylvania. Mel is the current president of P.A.P.A. - Pennsylvania Amusement Park Association. Bushkill reports doing business for 76 years and it enjoys a 90% ratio of booked-group business. Mel, would you tell us a little something about Bushkill?

MR. HEAVENER: It looks like I'm sitting on the wrong side of this table. I feel I should be out there.

Booked picnics are the biggest part of our business. Our walk-in trade is nil, because of the shopping centers and what-have-you that opened up.

As far as group picnics are concerned, 50% of our picnics are re-booked year-to-year. We do not have a sales force. There are two of us trying to run the whole place. It's a very small park. We don't get 10,000 people in a group. One group is 5,000 people, which is our largest picnic - from there on down, to small church picnics, which has been very favorable to us for many years. We do not do very much advertising. Our paid-for advertising is very small. We go through the classified ads and the telephone book every year and send out one flyer. This is our complete advertising set-up, though we do have radio spots. But as far as going out and soliciting picnics - wining and dining - we don't do it.

We have no catering service. We have a lot of picnics come in and bring their own caterers. We get nothing out of the caterers, except the 5% clean-up fee, so this is too small for us. As far as alcoholic beverages is concerned, we do not have alcoholic beverages, but we do allow them. In order to bring alcoholic beverages in, you must sign an alcohol release, but that's to relieve us of all liability of anything that could happen from the consumption of alcohol.

It looks to me like I'm sitting on the wrong side of the table. I should be there learning something.

CHAIRMAN EVANS: I don't think so, Mel. I think that anybody who's been running a facility for 76 years must be doing something right.

Okay. One of the giants in the room with the traditional amusement park is Kennywood, in West Mifflin, Pa. It is known as the roller-coaster capital of the world. It is always improving. Kennywood boasts a 75% dependence upon group business.

Here to tell us about Kennywood's deep commitment to group business is Harry Henninger.

MR. HENNINGER: Thank you, Bill. As Bill said, we very much are a picnic park. The percentage of our group business has been reduced. In 1972, we were about 90% group business. Today, as he said, we were about 75%. We're not losing our group business, though. As a matter of fact, our group business has increased over those years, but not proportionately to our off-the-street trade.

We have developed the pay-one-price concept on a limited scale. Now, we're trying to reinforce our group business with the one-price; we separate the two. We, really, don't mix them. When they see our marketing plan, people scratch their head and say, "You've got to be a little bit crazy," but it's been working out well for us.

Our group business has, basically, broken down into four segments. One is our school business. This is Monday through Saturdays for, roughly, nine weeks. We handle well over 2,000 schools.

On the weekends in May, June, July, and August, we handle, basically, industrials. These are mostly businesses.

On the weekdays in July and August, we handle some unusual

picnics. We call them community picnics, nationality days. We run all our special promotions and deep-discounting programs. We hold those during our weekdays in July and August, which is our weaker period.

Our last segment is our small group. This is a direct-mail solicitation. We do this for all days. It's worked out very well for us. We went through some of the statistics on direct mailing. Our projection was to book from 50 people to 150 to 200. Some of the groups have gotten as large as 1,000.

The main difference between our small groups and our contracted groups is just that. Large groups that we usually have a contract with, we provide more facilities and more discounts, but we have one insurance: we have the money in the bank before the day of the picnic. If it rains, we are certainly going to lose business, but not to the extent that--our rides, basically, have been purchased. We do not sell out--strictly a one-price or a ticket operation. We have no exclusives. This past year, we had one day during the season when we did not have a major group booked.

On our sales staff, we have two full-time sales people, one seasonal picnic co-ordinator, and one full-time secretary. They work the entire gamut of our group sales, group business. The secretary really runs the direct-mail aspect. The sales people concentrate on the contracted groups.

I will mention one little gimmick that we use. Maybe a lot of people use it. This has been very successful for us. It is a deep-discounting sales vehicle. We only use it on weekdays during July and August. As I mentioned, it's community picnics. This is strictly based on a ticket system. Our discount is, approximately, 40%, but it is definitely based on our ticket-type sales. The most we discount our one-price is 15%, and that's only to groups of 1,000 or more. We don't use deep-discounting in any way on a one-price. We do use deep-discounting on our tickets. What we'll do is we'll look for an isolated community. Hopefully, it would have its own business district that is somewhat vital. We'll go into this community that is preferably 40 to 50 miles away--something that isn't in our core market and we'll look for a well-organized group. It might be a volunteer fire department, an American Legion, or, in our case--we'd been working on finding a perfect community - at least, from our standpoint. We thought it was ideal for this situation. We couldn't find anything. We were about to give up when we found a Ladies Goodwill Club.

What we do, is we utilize our deep discount so that this group can make a profit. This gives them the incentive to pull the people out. I won't go into the details, but they will get the merchants to sell tickets at the stores for the picnic. They turn the tickets over to them. They are responsible for the tickets. They have to settle up with us before the morning of the picnic. So, those tickets are sold.

We get the money before the day of the picnic, in case it rains. This is one of the advantages. The biggest one is that they will get that picnic sold. Naturally, there is more incentive for them. The more tickets that are sold, the more profit they make.

We have a couple of these towns of 30,000 to 40,000 people--that, literally, the town is closed. Everyone who works for the

fire department--they have to contract their fire service for the day of the picnic with another neighborhood community. The merchants close their shops at noon--it's Kennywood's picnic. It's been that way for a few years, now. You might as well go to Kennywood, because there's nothing to do in town, anyhow.

We'll provide posters and a sound truck to drive around the community announcing where tickets are on sale--to get involved. We usually work, again, with the group. They know the people. They can be riding down the street and say, "Hey, Bob. Get your family out there." We provide them with posters for the merchants who will close, and they put them up - every store in town, saying they're going to close at 2:00 or 3:00--"Our day at Kennywood is coming up." A very major food chain moved into this town that we wanted to do very well with and they said, "Hey, that's against corporate policy." And the lady who was running that group said, "Well, if you don't close, we're not going to shop there." And they really put the pressure on them. It alleviates Kennywood of having the responsibility of pushing the picnic. It is a deep-discounting promotion, but it has a very secure insurance. You know it's always there. You can count on them to sign up next year right away. It's been very successful for us. Thank you.

CHAIRMAN EVANS: Thank you, Harry. Some great ideas. Perhaps some of you saw a little leprechaun sneak in here a few minutes ago in the form of Mickey Hughes. Mickey is with us, now. He's from Williams Grove in Mechanicsburg, Pa. And they report from Williams Grove that they enjoy about a 60% group business ratio. Mickey, would you tell us something about--how you go about this?

MR. HUGHES: If you'll look at your program, you'll see it says, "Scotty Macdonald, Harry Henninger, Ingrid Hughes." Well, you know where Ingrid Hughes is? She's in Capri, lying in the sun.

I know most of you people know me from the importing business. I've imported rides since 1948. I went into business in 1950 and started bringing rides into the United States. The importing business got a little shaky in the last few years, because the prices went up and the dollar went down.

We bought Williams Grove Park about nine years ago. The park was a picnic park in 1850--Williams Grove and the Granger's Fair. Now, I saw somewhere that in 1860, they were getting 40,000 people in one day at Williams Grove. In fact, that was the center of the Granger's Fair. The Granger's Fair is connected up with picnics way back before any of us even thought about it.

We're way out in the sticks. We're a small park. 60% to 70% of our park is picnics. Now, if you work for Hershey and you've got all the money in the world, you can afford to make a few mistakes. The worst that can happen is that a guy loses his job.

Now, you guys know that we're in a different position. We don't lose our job. With all due respect to Hershey, you don't lose your job. When I say Hershey, I don't mean just Hershey--any of these big parks. The guy doesn't lose his job; the stockholders usually lose a few points, but still things go on.

The kind of park that most of you who are here today have--you've got the note. You've got to service that note. You've got the mortgage and you've got all the problems. If you don't make it the first time, the guys are going to carry you. Now, if that

happens two or three times, you're going to go down the drain. You don't have a job. You wake up one morning and you're looking for a job. You've got to go out and you've got to hustle the buck. If you're in the sticks, you've got to reach out. You're not going to get local people. Local picnics - they won't even pay the rent.

We didn't know what it was all about. We hadn't taken any active part in the park for many years, and then we found ourselves with 300 acres, 20 or 30 rides--whatever it is--some of them in good shape and some of them in bad shape. We got together. We reached out.

We got ahold of every picnic that had been in the park from the time we bought the park. At least, we got them all lined up without a computer. We had to do it by hand. We got them all lined up, and then we picked out the ones that had come in and got them listed out by the amount of money they had spent and gave them priority, not because that was the best way to go about it, but because that was the only way. We had to get the big picnics in before this year in order to keep going.

So, we reached out. Now, we did everything. We had a mail-out. You've got a mailing list. You've got schools; you've got big companies and some of the companies you'll find that come in to your park--they've been coming to the park for so long and they'll have it the same time every year. But then a new guy takes over the picnic committee and you find yourself in trouble. He doesn't like the look on your face. He thinks you're Irish or something like that, and the next thing you know, you don't have that picnic. Now, we can't even afford to lose one picnic. And if we lost some of our big picnics, we'd have to close the doors.

We went out and we got everybody dined. We entertained. Now, Mel says he doesn't do any entertaining. We can't afford it. We did it on the American Express. They wait three months, anyhow.

If you've got all the money in the world, and God knows I've been associated with some of the biggest parks and have helped build some of the biggest parks and made some of the biggest money in some of the biggest parks and an awful lot of money in some of the smaller parks, but I think that in a picnic park of our size, you come up against individuals. You have to be there, and when you're there, you have to take an awful lot of crap.

Now, the first time we bought the park, I was down there and our manager and his wife were running the park and everything was going fine and everything was moving. We were happy that things were going so well. We had one of our biggest picnics in. There was a guy who came up and I was standing outside the office. He ignored me. He didn't know who I was and I didn't want him to know. And he walks in and he took the paper plate--I remember it like yesterday, and he threw the paper plate right onto the desk and started screaming, "Nobody could eat that garbage." He said, "That's the worst chicken I've ever had in my life, and you s.o.b.'s--" and this and that. He was head of the picnic committee and they were never coming back again and so forth. He was about ten feet tall.

You know, I'm five-foot-two, so I looked at this guy--I would have kicked him in the shins and when he bent down, I would have hit him with my head, and then, I'd start running. I'm a pretty

good runner.

And I turned around and I said, "Excuse me, sir. Can I help you?" He said, "Who are you?" I said, "Well, I work here." He said, "Where do you work?" I said, "Well, I'm supposed to listen to the complaints."

So, he went through the whole big deal again about what he was going to do and how the chicken was bad and everything else. He told the whole story and I listened and I said, "There's only one thing wrong, sir." He said, "What's that?" I said, "That's not chicken; that's ham." "Oh," he said. "I'm sorry, sir." And he went right over there and picked up the chicken and walked away happy.

So, the whole thing is--it's b.s.

And the fact that you're there, you talk to the guy. It's a personal touch. You can't do it with everybody. Some picnics come in with 23, 24 people. Church groups come in and they sit down with you and they want to have 200 people and they arrive with 24. That's the problem--that you have to weed them out. You have to know and you have to write up each picnic as it comes in. As a picnic leaves--it's gone. You write down all about it. You sit down and you get it all down and so you know next year, when the guy calls up, you don't have to give him too much of your time -- or you have to give him a lot of time.

Now, a lot of people say, "Black and white." Blacks do this and blacks do that. Some parks don't even want to let them inside the door. Well, why not go to that little bank--Merchants Bank in Pennsylvania--whatever they call it--where they owe all the money. When I go to the bank, the guy looks at the money and he never tells you whether the money is Jewish or whether it's black, Irish, or what. He just takes the money.

Now, as far as we're concerned, we're out in the sticks. We don't get too many. But I do say this: I want to make a comparison. Our picnic pavilion takes 500 people. We get a phone call from somewhere and somebody's coming in with a church group, and this church group comes in and gets half the pavilion, and the other half goes to another group who gives us a hard time and they came down and checked everything out.

Now, if you look at it, you find that that particular church group spent \$6 a head and the other group spent \$40, because they brought everything with them. So, what do you do? The next year, you try to have two black groups. If you're going to stay in business, you're going to stay in business--you cannot afford, today, to be particular about who's going to come into your park, as long as they behave themselves and they spend money.

No matter what you say, we're in business to make money. If we don't make money, we can't meet the note, we can't pay the note, and the guy with the mortgage is waiting outside with the sheriff and you're out of business.

I think the advantage we have over the big parks is that we don't have to open and close a certain hour. If you've got 1,000 people on the payroll and you're a big park and you've advertised half-way around the nation, then you've got to be open when the people come there, or you can get in all sorts of trouble. You

can get in trouble with the law.

A small park--weekdays, when are you going to be open - 6 hours, 7 hours? I tell you what we've done. We didn't start this. When we took over the management of the park, 12:00 is a nice time to open during the weekdays, because by 6:00, everybody is gone. If they stay after 6:00, they're not going to spend any money. If you don't p.o.p., you're dead.

We have a very good magic show. We're getting a good magic-puppet show this year. We get the kids to come in, they punch in at 12:00, and half-way through - say, at 3:00 - you have your magic show--3:30--and close everything else down. The rides close down for your magic show, because if you're a small park, you're lucky if you've got a couple of thousand people in there.

During your magic show, your kids take their breaks off the rides, the games, and the food. They get their half-hour break, and when the show is over, they're back on the rides, and at 6:00 you're closed. This way, you keep the note down. This is very important, because what's eating it up now is payroll. Everybody knows that and it's goig to get worse. Everywhere you can save a half an hour, instead of a lot of people hanging around, you save it.

The other thing is food. Everyone can handle the food. I've got a friend who recently went into the food business and he's doing very well. I know I could do very well with the food business. Ogden Foods has been very good to us and gave us money when we needed it. They won't give us as much as they used to give us, but they still give us a little.

Your food concession is only as good as your management. If you hang onto them there and you push them and you watch them, then they'll put out a good product. If you're running your own food, you need a lot of money. You need a lot of things going for you to keep it going.

If you have an outside food concessionaire, the outside food concession will give you a percentage. You know, no matter what happens, you've got your percentage. The only thing is that they are inclined to put the note too low, so that they close some of the places. You've got to stay on them for that.

I would say to the question, "Do picnic parks have a future?" I think they have a tremendous future. I think that picnic parks on their own have a better future than any other park. Small parks have a better chance than the big parks, because the big parks have an awful big note.

And I'll finish up by saying that if you have money, put it into a small picnic park, because somehow or other, you'll find somebody to give you the money to pay the note.

Considering the fact that I didn't have any notes when I got up on the table, and I wasn't Ingrid Hughes, I think I did a pretty good job.

CHAIRMAN EVANS: Thank you, Mickey. Real great. Now, last but not least, I want to introduce to you a person that represents a park from what I personally consider a fine example of a well-balanced, well-maintained, well-operated, traditional picnic-type park in Pennsylvania. It's in Elysburg. It's called Knoebel's

Grove. Knoebel's has long represented a yardstick with which many of us in Pennsylvania measure ourselves by and, Dick - the one who will be speaking from Knoebel's Grove - is a past president of P.A.P.A. I'd like you to hear from him, now. Dick, would you tell us about Knoebel's, please?

MR. KNOEBEL: Thank you. After hearing Mickey, I feel like the Vaudeville dog act that followed the name show.

Knoebel's Grove is a family operation. My grandfather sort of started it as a hobby. He was in the lumber business, but in 1913, he fenced a creek off to keep the cows out and that was capitalism. I don't think you could do that today, but in 1926, he built the first restaurant, and the first steam-powered merry-go-round came there.

We now operate 30 rides, seven games, swimming, miniature golf, a dining room, an arcade, and we're just now building our second water-slide. We also operate a campground, which is a great adjunct to the daily operation of an amusement park, especially on a Saturday, when we have industrial groups in. Industrial groups seem to thin out about 6:00, and there's a lull. Later in the evening, about 6:30 or 7:00, the campers come out of the camping area, and they just take over the park until 11:00. So, it really helps.

Now, in regards to the group business, I feel that our solicited group business amounts to about 50% of our gross. However, our group business - solicited or unsolicited - works out to about 80%. Now, what is the difference?

The unsolicited group picnics would be the East Podunk Ladies Aid Society and the First Christian Church from West Wazoo, and things like that. These people have to be treated with equal respect, because among that group might be the plant manager of one of the major industrial firms in the area, who is just considering, perhaps, having a picnic. When he gets there, he sees the facilities that we have to offer and the service we give them. He's sold.

Now, what do we do differently? Not too much differently than what everybody else on the panel has spoken about - the personal service. We make it a point to be at each industrial picnic. I make it a point to be there that day, to make sure that everything is going all right, because there's always somebody who forgets his cleats for the game. Well, I have a set of cleats in the backroom, and they can work them out. If they need something for their peanut scramble, or something, we have access to such things.

One of the things you need is good food. 15 years ago, our food was on a concession basis. When I got home from the service, I couldn't eat it myself, so we changed that winter. We took it all over ourselves.

Another good idea on these groups is to get them on your ground. If you're talking to a picnic committee, invite them to your facility, get them there on your homeground. You can show them more and tell them more and you have the upper hand in talking. We'll give them a dinner in our dining room. We'll let them taste for themselves the food that we have to offer.

Our group business has doubled in the last five years. Our food service business has tripled.

Another thing we feel we can offer to groups, is that we have a wide variety of plans. We have a free gate, free parking, free entertainment, and we give free advice - that's the only thing that isn't taxed these days. We do have a wide variety of plans. We will offer them ticket plans, discounts--and there are many kinds of ticket plans--not just for the rides. We have a multi-purpose ticket, in fact, in many stages. You can get a discount on tickets that are good for rides only. You can get a discount on a ticket that covers rides, roller skating, and miniature golf. We have a ticket that, in addition to the aforementioned, it also covers games and refreshments, including bingo, and we find that this is a very popular ticket among our industrial groups, especially those that have older people. Older people are not going to ride the rides, but they do love to play bingo, and this amounts to a great amount of business.

We try not to have rain dates, because we are booked fairly tight on Saturdays and Sundays, and we have had groups of as many as 65--booked picnics in one day. Now, these may range from 25 people - the East Podunk Ladies Aid Society - to somebody like Cumming, the aircraft manufacturer, who brings 5,000 to the park.

We do have 15 picnic pavilions, which seat upwards of up to 5,000 people. When we run out of space for those, we just erect another ten tents - 40 by 60 tents - and they will seat an additional 1,000 people. When we cater a picnic, we cater it at that pavilion. We just move the whole crew, lock, stock, and barrel, to the pavilion, and serve them there, and then pick up and move to some other location, according to our time schedule.

You know, there's always the chance that somebody will show up late because they have a flat tire on the way, or Aunt Tillie just arrived from Toledo. We'll serve them a dinner of comparable value in our Oasis cafeteria. We just want to make sure that everybody gets taken care of.

Now, we also make a large sign, 4 by 8, by our art department, that we put up at the pavilion welcoming the families and members of Local 1766 to the annual family picnic.

There are a lot of other small things that we try to do for them, if they wish to have them - posters for their plants announcing the day of the picnic, p.a. systems--

Another thing that keeps our name in front of them throughout the year is Christmas cards. We send Christmas cards to those names in our picnic book. For example, the East Podunk Ladies Aid Society, to every member of the committee of the Wise Potato Chip Factory. There was an organization in our area several years ago called the Susquehanna Personnel Managers Association. In addition to the knowledge I gained from this organization, it has also been a great meeting place for the picnic business, because almost all the personnel managers of these plants that do have industrial picnics belong to this association. Now, it was at this function last Wednesday evening that I talked with--raised 25 picnic accounts and was asked by them, to come and speak with them in their office on four new prospective picnics, and these fellows discussed the quality of service and the treatment they got at Knoebel's among themselves, and I'm proud to say that we had maintained a good reputation among them.

I believe that's all I have to offer, Bill.

CHAIRMAN EVANS: Okay. Thank you.

MR. HENNINGER: Something that none of us have yet said, is that one aspect of the picnic business that I'm sure we're aware of, but we haven't come out and said it is that the picnic business has a pro and con aspect to it. Considering the fluctuating season, the peak years and valley years aren't as susceptible to drastic fluctuations as they are with these strictly tourist trade, particularly if you're building weather guarantees--things like this. Generally speaking, you're not going to have a net tremendous year - 40% and on up - but on the other hand, you're not going to have that drop of 40%. You have a more gradual growth. It's a little more conservative, but it's not bad knowing that if you run it properly, your guarantees are there and you should continue through normal growth.

Somebody that puts a Loch Ness monster next to you is not going to hurt the picnic park as much as a transient trade park.

CHAIRMAN EVANS: Thank you, Henry. Very good point. Scotty, do you have something you'd like to add?

MR. MACDONALD: What Henry said is true. Your peaks and valleys aren't as high, but the other saving thing about it being a group picnic park--such as an operation like ours makes scheduling of employees and management much, much easier. You keep your records. You go back and you see how much food you did the same day the year before and the last three or four years, and you schedule help. You can purchase your merchandise. You can purchase your food products and so forth and so on a lot easier. Of course, you add in the percentage of any increase or decrease, if you lost a picnic on that particular day, or added a couple, and you also figure in your walk-in business.

But if you're just opening the doors, like some of these major theme parks do, and have 40,000 people in there to crack your nut - as Mickey said - and it rains or the highway is under construction, you're in very big trouble. I find we're not. These big group picnics will come--come hell or high water, and we've had a little of both. Thank you.

CHAIRMAN EVANS: I think a couple of themes are beginning to emerge, and let's take a moment to take a look at it.

Service - most of our panel has spoken of being a service-oriented park, willing to go above and beyond the call of duty, if you will, to see that things are going to happen as they've been promised to happen.

Integrity - along the same lines--speaking--you know, making commitments, arrangements, and seeing that they are carried through and that they, again, do have it.

Food service seems to be a great part of the picnic park tradition. Now, I think there may be a little confusion here. For instance, in our operation, we have 28 picnic areas, 1,500 picnic tables. We don't have any fireplaces, and we purposely do that, because we want them to picnic--to picnic on their food, not our food. There are other ways that we--there are other reasons that we do that, but that's primarily the reason we eliminated the

fireplace, charcoal grill--what-have-you.

Finally, I think everybody is saying that in one way or another, you have to be a go-getter. No matter what that method may be, you've got to go out there and get it. Not too much. Well, you've got to weed them out, and, certainly, picnics coming back year after year--but you have to work at it.

MR. KNOEBEL: Bill, can I add something, please? The little difference between Bill's park and mine is that he has no fireplaces. He doesn't want to have the picnic--the family picnic. We solicit the individual family picnic. In addition to all our pavilions and tents we have, perhaps, 500 tables throughout woodland areas. On 10:00 on a Sunday morning, you're hard-pressed to find a table for your family.

CHAIRMAN EVANS: Thank you.

A VOICE: How much do they rent for?

MR. KNOEBEL: They're free. We give everything away - free gate, free parking, free admission, free picnic tables - free firewood.

MR. MACDONALD: You mentioned free firewood. We have people who come in and bring their garbage and take the firewood home. There again, this is a service. This is what we sell. We're encouraging people to come in with their picnic baskets and enjoy the facilities and the woods and the pavilions, and if we can't entice them to come into the major part of the park and ride the rides and eat our food and play our games, then we'd better sit down and think about what we're doing and, maybe, think about putting in an apartment complex.

MR. HUGHES: Well, the only thing about that, Scotty, is where does it start and where does it stop? Now, you say, let them come in and let them use your park. That's all right. If you don't watch it--if you don't control it, you'll get people who are outside organizing their own picnics and bringing in truckloads of food into your own park, and the people they bring in may be people who don't go on the rides and don't get anywhere else outside of the picnic area.

Now, we eliminated a lot of this. What do you do on the 4th of July, when you're in a position like Knoebel's Grove and Williams Grove where you give them free parking and free admission, free entertainment--you get everything free. But you have to get that buck somewhere. Where do you get it? How do you make sure that you get a dollar off of everything that comes in?

What we did was this: we went in and we looked at the parks and fairs around us and saw what they were getting for parking on the 4th of July. We charged a dollar for parking. We charged a dollar for parking during the Granger's Fair, because an awful lot of people are watching and they see that they can go and park free. They see that they can get free admission, free picnic tables, free magic show, and sometimes free country-western. The only time they will come to you is when they've got no money.

So, as I say, we eliminated parking or most of it by charging a dollar on the days when we know that that park is going to be full.

CHAIRMAN EVANS: Okay, Mickey. Thank you. I think right from the off-set here--I think we all have to agree that while we're all in the picnic business and we're all in the state of Pennsylvania, the fact that we're analyzing the picnic business in the state of Pennsylvania--you can all see that we do it a little differently. This, I think, is dictated by the needs and wants of our clientele, our facility itself, what we have to offer, and so forth.

But, at any rate, you heard from all the members of our illustrious panel here, and you have a little insight as to where they're coming from. I think you would have to all agree that they are all experts in the group picnic business field.

I would like to turn to phase three of our program and--I must apologize, because our orators here got carried away--and we may run a little over, but bear with us, please. As far as specific questions that you would like for us to talk about regarding group business and how to handle it--how we do it in our facilities--we're going to start with the sales staff because, in reality, I think this is where it all begins, you know. How do we approach and attract new customers? Okay? Scott, would you, as a starter for us, give us, you know, an idea of the scope of your staff--Excuse me. Questions?

A VOICE: Are you going to take any questions from the floor?

CHAIRMAN EVANS: That's next, sir. Okay. If you have anything specific that would relate to what we're talking about now, we'd be very glad to listen to you.

A VOICE: I think something we need to know about is the size of the marketing area.

CHAIRMAN EVANS: I think that's going to come out in this segment we're going into now, okay?

Scotty, would you give us a rough idea of the staff that you maintain - the number of people; the working hours, particularly out of season--you know, the wintertime. How much time do they put in--things along that line.

MR. MACDONALD: Okay. Basically, as I mentioned earlier, we have one full-time person who is on during the season from 9:00 in the morning until 9:00 at night, six days a week. We're closed on Mondays. We also have a staff of approximately four people who run around and make sure that the p.a. system and so forth and so on. These are seasonal employees. In the off-season, we have one full-time employee, sales-type person on a five-day-a-week, nine-to-five--longer, if necessary--if he has to go to school board meetings or whatever in the evenings. We also put two additional fellows on who are on our staff in food and beverage and games. They do the cold calls. They go pound on the doors and are followed up by this full-time person. He does all the handling of the groups and committees, once they get to the park and once they get down to signing the contract.

CHAIRMAN EVANS: Okay, Scotty. Do you try to have this person who has booked this particular picnic correlate to the operation, once they are in the park?

MR. MACDONALD: Yes. Basically we have a sales book which we operate around, on which all picnics are based. Once the contract is signed and it's definite that the group is going to come in, we

have some idea as to the number of people involved. We show them the picnic book and reserve a pavilion for them and, if necessary, pavilions, and everything is based on that. He writes it up on his work sheet and that work sheet will have everything that this picnic may need - whether they get a discount on tickets, whether it's going to be catered, whether they get a discount on food, whether they get special parking tickets. What they're going to need--horseshoes for the horseshoe courts, and so forth.

And, then, at the beginning of each week during the operation, we will come in and have a staff meeting under my jurisdiction. We will sit down with all the department heads and run over these work sheets so that they're up-to-date as to who gets what and when it's supposed to be done and so forth.

You just follow up the written instructions of these different departments and, basically, sales--I shouldn't say this, because some of us are in operations, but sales really directs what we do in operations. If the sales force doesn't have it done and get the work to us, we're in big trouble.

CHAIRMAN EVANS: Does any other member of our panel do anything drastically different, or does that pretty well sum it up for all of us?

A VOICE: Are you going to have a question and answer period this morning?

CHAIRMAN EVANS: Shortly. In a little while. Okay? Is anyone on the panel using a commission basis, as far as salesmen are concerned? Anybody at all? Are they doing their picnic sales on a commission basis? You know, I think it's a fascinating idea. We've entertained it, quite honestly, for quite a few years, but we've yet to come up with the ideal situation--the ideal person. How about members of the audience--anybody out there using a commission basis?

(Show of hands)

CHAIRMAN EVANS: Could you tell us a little something about how you work this commission basis?

MR. HUGHES: If they bring in \$10, you give them 50¢.

CHAIRMAN EVANS: What commission or revenue do you get on a particular sale?

A VOICE: It's going to be a bit embarrassing, because I don't normally open my mouth at meetings.

Anyway, my name is Grant Wolf, from Sea Breeze Park in Rochester, New York, and I was hired by the company after I was a consultant with that company with another firm.

I am, by trade, a professional sales person. I believe in professionalism--paying a fair living salary. At the same time, I believe in goals. A salesman can't reach goals and continue to improve himself without commissions. I wouldn't work without commissions. To me, the more I sell, the more business I bring you and the more I get paid. Just give me a flat salary--what's the sense in me working for \$12,000 a year when I can go into other

sales areas and make \$20,000 to \$25,000 a year on commission?

I do get a base salary, plus commission. My commission decreases with repeat business. I do get a higher percentage--I won't go into details--for new business. The incentive is always new growth--double it--increase it. The only thing I will mention is that I've increased group business 100% each of the three years that I've been there. It's 100% over the previous year's sales.

CHAIRMAN EVANS: That's terrific. One other question I would have, please, is using the base for taking your commission. I would have to feel that you really cannot establish this until after the day of the picnic. If you sell it in January, how can you tell the amount of commission or the gross of the potential of the sale that's going to take place in August?

A VOICE: That's correct. My commissions are paid after the picnic. They are based on a percentage agreed to in a written contract, originally. Now, it's by handshake. It depends on the gross of the picnic. So, the incentive is for me to provide the service and come up with a better idea to help that committee sell itself.

Some of these ideas are fantastic--like community days--if you get them to work with you. Some of these committees just won't work with you. They have a set way of doing things, and you have to motivate them. Also, the commission salesman is in a position such that every time you knock on doors, you open yourself up to a new contact. And if you have to go back there three years in a row and you finally get that contract for \$19,000--\$20,000 and you've been knocking on that door for three years, you didn't waste those other two years that you went there and spent two hours with the guy. That's the incentive for continuing.

CHAIRMAN EVANS: How many commission salesmen does your facility have?

A VOICE: Me. One.

CHAIRMAN EVANS: Is there any problem as far as--you're out selling August 14th and you're 150 miles or so away from the park and somebody in the office is selling August 14th? How do you co-ordinate availability of dates on something like that?

A VOICE: Okay. We have a master scheduling calendar that covers, almost, a ten-foot wall--I think it is about ten-foot long. Everyday we're operating, we pencil in the dates that are tentative and color-code them once they're signed. All picnic bookings are done three months in advance, except for small groups. In other words, we do have other people selling, such as the manager and a few others, but we can look at the day and we know how many picnic facilities we have and what-have-you, and everyday, I'm there. So, I know--we know. Our primary selling season is from January to April.

CHAIRMAN EVANS: One other question that keeps coming to mind--we had a question from the audience before about market area. Since we have you before us, how extensive is your market area from your home base?

A VOICE: I guess when you're on commissions, you don't really look at a market area. You go where the bucks are. We're not as

extensive, I know as some of the other parks. I see Fantasy Island. I see a lot of other people out there. They're worrying about mileage and they have to go to bigger markets. We're looking to our own back door. If somebody doesn't have a picnic, we try to show them the advantages of having one.

CHAIRMAN EVANS: Thank you. There is another person here who has their hand up regarding salesmen on commission. Did this gentleman pretty well sum it up or do you have an innovation that you'd like to discuss with us or tell us about?

A VOICE: I can't add a lot to what he said. I was amazed at how similar our operations were to each other. Actually, I'm with Frontier Village in San Jose, California. There are some questions I would like to ask him about his operation. I'm the sales manager. We have two salesmen, not just one. We have split the bay area into two groups and we're not the only facility that does a full-time commission.

My commission arrangement is that we do get a commission on repeat business. We do have an incentive--commission for reaching a certain dollar figure and I've managed to meet that dollar figure several years in a row and, if anything is done, I can't brag about the same figures he did at our park. However, we have increased our group business by the number of people by a full 100%, which is a pretty significant portion of the park's business. Great America opened up next door to us - and I'm sure a lot of you are familiar with the size of that - and that has put us in a position of being able to control a segment of our market that has really paid off right at the time we needed it.

One of the things that we have done is--and I suspect that some of you might be facing--is we have increased our picnic grounds quite a bit in the last couple of years. They were working almost to capacity when I came along and what we've done - and it's really paid off - is we've increased the amount of space that we have been able to provide. We brought more tables in. We had three picnic grounds which could only handle about 3,000. We have, now, eight picnic grounds. We handle about 5,000 or 6,000 people or more, depending on how we arrange them.

Anyway, as far as commissions go, there was that subtle difference.

CHAIRMAN EVANS: Thank you very much. Okay. Let's move this along a little bit, now. Looking for some other methods for soliciting new group business. Harry Henninger, you mentioned a mailing list. Would you give us a little more in-depth information on how extensive and how often you mail, perhaps? What kind of results do you get from your mailing, and so forth?

MR. HENNINGER: As I said before, our mailing list is a small group business. I went to the secretary to find out what they did before I came down here, and I'm able to break it down into categories again.

In February, we send out, approximately, 300 letters to groups that came last year. These are small groups. A few weeks after that, we send out an additional 400 letters. This is what we did last year. I'm not saying that we're going to send out 400 this year, but we go through any kind of mailing list that we can find like a church group. Every once in a while, somebody walks in

with a catalog of the Third Methodist Church of Allegheny County, or something like that. We send out our mailing list. We try to get an additional number of direct mailings. Our response is, roughly, 10% over the years of our new mailing list each time we send out to new people. The response is about 10%. These are, generally, for our May and June business.

We send out 1,000 post cards. These are just saying that Kennywood is here and things like that. These are people who did not come to us last year--looking for dates available in July and August. Practically all weekend dates are taken up. Again, the retention or the response is about 10%.

We send out 2,000 Christmas cards to groups that we've had just to say hello. The funny thing about calendars--everybody has calendars. We've sent out umpteen million calendars and we'd just put the calendar all on one sheet. Very few people do it. They have beautiful pictures, but you have to flip to look at the other months. I'm amazed at the number of people that want our calendars. The first thing they do is cut off "Kennywood" and then they have the calendar.

But that's - basically- our direct mailing solicitations.

CHAIRMAN EVANS: Again, panel members, does this pretty well sum it up as far as what we're doing with direct mail?

MR. KNOEBEL: We don't use direct mail. We tried it, but we just couldn't get the results that we thought we should have. With the postage at 15¢, now, I think we're going to work some other ways.

CHAIRMAN EVANS: We do it at West Point. We rely entirely on direct mail. We do absolutely zero advertising. We don't spend a nickel, dime or a penny, for that matter, on newspaper, tv, or anything else. We are totally committed to direct mail. We mail three times a year, with a mailing list of about 5,600 industries and unions, 800 schools and churches, about 150 recreational centers and 300 clubs and fraternal groups. We kind of feel that we get a steady flow of business from this and, I guess, what never ceases to amaze me is to be sitting in the office one day and somebody walks through and they have whole--like, maybe, a five-year supply of our mailings that they have been accumulating in a file, which indicates to us at that time they were just, for some reason either financial or what-have-you, not ready for a picnic, but this kind of proves to us that - number one, they have saved them; number two, even though you don't get a particular immediate response from a particular group or person, it ain't necessarily dead. It can come back to you and--question?

A VOICE: What were those groups, again?

CHAIRMAN EVANS: Industries and unions. In particular, in recent years, we have done a big business with the unions, but the industries have backed away from this, because of the benefits and so forth. We are compelled to come up with schools and churches, recreation centers, clubs and fraternal groups.

MR. HENNINGER: I can add to that. Senior citizens, scouting groups, summer camps; senior citizens are fantastic. These types of things.

CHAIRMAN EVANS: How about follow-up procedure with those of us who are doing mailing solicitation? Mickey, did you say that you do mailing?

MR. HUGHES: Yes, we do mailing, but we don't do it on a very big scale. We just send out stuff and we haven't had time to find out what percentage of it is coming back. But I think a lot of the things you've mentioned are very important. Get ahold of the Chamber of Commerce in the area where you want to work. It's a value for \$3. They give you a book, and in that book you'll find all the people who are doing business in that area. You find in there the big companies, and if you've got company picnics in there--the important ones--the ones who bring in the big money, whether it's the unions who are doing it or the company themselves--if the guy who owns the company wants to keep the union out. But you can get all that stuff from the local Chamber of Commerce, and in our particular case, we've got one town, which is about 30 miles from us--the number of picnics that should be coming from there--we couldn't even handle them - there's that many of them. But the Chamber of Commerce is where you go for your \$3 book.

CHAIRMAN EVANS: Yes, I'm sure there are quite a few different type books. We use an industrial guide as our background for gaining information. Mel? Excuse me.

MR. HEAVENER: Other groups--school groups are fantastic. I know that's what really gets us over all the winter expenses. The school superintendents--I don't know how your system works in your states, but the superintendents in our school systems no longer book the school picnics. It's done by the school board. If you attend the school board meetings, you will get to know the school board members. Certainly, you call on the superintendents and the principals, but you've got to get in close with the school boards, and once you've got them locked in, it won't affect you whether the principal wants one or not, and that can be very beneficial. You can get these lists. Usually, in the state of Pennsylvania, you can get ahold of your county education agent or your county education department and they'll send you the list of the principals and teachers and secretaries and so on, and you work from there.

CHAIRMAN EVANS: I think, one other point, from my experience with the school business is the tendency for parochial. We found through the years that we had a tremendous success with parochial school business, but could not touch the public school trade, primarily for a couple of reasons. There were ideas that it was a non-educational trip. They would not permit it. I talked to other people from around the country and it was reversed. However, I'm very pleased that our particular market area where we exist, which is about 20 miles--30 miles north of Philadelphia is starting to change and we're starting to get our fair share of public schools. I throw this out to you, because when you're instituting your program--you know, why beat your head against the wall if the policy is such that most phases of the school business is negative. Now, go after the easy pickings is what I would suggest.

Mel, at Bushkill, what type of picnic or what type of group do you most successfully attract or appeal to?

MR. HEAVENER: Our biggest picnic today is industrial. You were just talking about school picnics. I'm a little bit disappointed in them. As far as the schools are concerned, the ones near us,

the Parent-Teacher Association puts the picnic on. They get to the point that nobody wants to do any work. You do all that work to promote these picnics for the schools. So, out there, as far as parochial schools are concerned, they were our top schools at one time, and all of a sudden, the priest comes in and he sees a nun riding on the rides, which he didn't approve of. And that didn't help matters and, then, all of a sudden, you realize how much money these people are spending which, for the size of the picnics, was enormous, and they decided the church needed that money more than we did. So, that cut out our parochial schools.

Today, our biggest percentage of picnics is industrial picnics. We have several different plans for them. We do have a sell-out by the hour, or we sell special ride tickets at about 25% off. If we sell out by the hour, we have a minimum charge of-- I'm talking about small picnics--I'm not talking 10,000 or 15,000 people. I'm talking about 5,000, on down. A minimum price for a sell-out would be \$1,000. Now, that would depend on how many people and how many hours. We do sell by the hour. We have picnics that take as low as four hours. We have some that take as high as seven hours, and they pay accordingly for the hours and the number of people that are there.

CHAIRMAN EVANS: Thank you very much. The next question. I don't think this can be embarrassing, but I think we all do this a little differently--as to rewarding picnic committees. Does anybody get into this phase at all--winning and dining? Anything else that comes down that category? Mickey? Okay.

MR. HUGHES: I think I'll answer this one. If some picnic is going to come in, like Pittsburgh Plate Glass, and bring \$30,000 to \$40,000 into the park, I think you'd be an awful fool if you didn't go out and get to know them very well and wine and dine them. You don't have to be in the picnic park business. You can be selling anything. No matter what you're selling, if you've got a good customer, why don't you go out and bribe them. You know it happens here in the United States. Even in the foreign countries. You can't do it, but at least you can go out and buy the guy a good meal. Make sure that he's got his wife with him or his girlfriend. Make sure that you know the difference between his girlfriend and his wife.

CHAIRMAN EVANS: Thank you, Mickey. Randy?

MR. McCANN: On the winning and dining situation - sure, everybody wines and dines - but there are two things that you need to know about winning and dining: number one - you take somebody out, make sure that you get them to your park. If there's any way that you can get them to your park and it's open, take them there and treat them to a meal at your park. I find that's the very best way to go. Also, they mentioned school groups. Something that has been very good for us is that we give out free passes to all principals of our local schools within a 100 mile area for them and their families, so that they get to see the park as it is and they find it's a good place to bring their kids. The number one thing is to just get the people to the park to see it.

CHAIRMAN EVANS: Thank you, Randy. Mel, you said you had something to say on that line.

MR. HEAVENER: Yesterday, I had somebody approach me that was--said he was going to stop at this meeting and pick up my trade secrets.

I said, "I don't have any trade secrets. I just get your overflow. People who get mad at you - that's how I stay in business."

In the meantime, a little over a year ago, another amusement park opened up about an hour's drive away from us. They are wining and dining to no end, trying to steal picnics--which, I don't blame them; I'd do the same thing to them. It looks like I'm going to be forced to. We've never wined and dined anybody, but it looks like the market is going to compel you to do so today.

Now, I don't know how far some of you people are from your competition, but I'm a half hour from one place and an hour from a couple of other places. I'm only two hours from the seashore and I'm only an hour and three-quarters from Hersheypark. So, it looks like we're going to have to wine and dine.

I will add one thing to it. We've found that when the money is tight, our business is up, and when money is loose, the other guy is getting it. So, I don't know how we're going to get ahold of that when the money is up, because that's what you really need, now.

CHAIRMAN EVANS: Thank you. We do a little wining and dining--I do most of the selling--and there's some disadvantages, of course. You can put on too much weight. You can only eat so many meals, so, consequently, during that prime period from January 1st to April 15th--you know, if you're doing a large group business, again, there's just so many meals available.

However, I've personally found that my incidence of success, as far as booking, is greatly enhanced if I have the opportunity to take somebody to lunch, and we use it every chance we can. Still, it pays off.

Okay. How about eye-to-eye contact? You know, they're kind of related.

A VOICE: I'm from Magic Valley in the Poconos. This is the first year I've been in group sales. Magic Valley has available to it a resort--a complete resort. When I started with Magic Valley, we were wining and dining the clients--or prospective clients to the point that some of the people spent the night in the motels. Some of them spent a weekend. It was all very glamorous, but I don't think we had the closing ratio that I would like to see, since the park began to operate on a full-time basis. In other words, our offices are operating all year round. And this coming season, when I would take the committee out to dinner, I would like to spend a lot more time with them in the park. With them walking through the park, I can sit them down in my offices. As someone said earlier, I can have control of the situation. I can answer their questions, give them the figures they're looking for, whether they're on food items, admission to the park, or what-have-you.

You have a lot more professional sales approach. You would recommend taking them and buying them a drink at the hotel, or what-have-you. I don't see the need for the buying of the picnic. I don't mind buying someone a meal or a drink, but at the beginning, we were just trying to buy every picnic. We would look at the bottom line and wonder if we made any money on some of these larger picnics that we tried.

CHAIRMAN EVANS: Thank you. I want to say something there. As a salesman, you better buy the guy the drink before you start talking to him, not afterwards.

The next point that we're going to cover is the eye-to-eye contact. Now, obviously, you cannot wine and dine everybody. Obviously, you cannot continually be successful with only bombarding the countryside with pieces of literature. Telephoning, of course, is a good breach in the gap. However, how do you feel, Dick, as far as eye-to-eye contact--the validity of wrapping up business by meeting someone face-to-face?

MR. KNOEBEL: When you sit down with a person and talk to them across the table, you're making the best point you can. There's nothing better than the dye-to-eye contact.

CHAIRMAN KNOEBEL: Does everyone agree? How about promotional material, as far as the ability to facilitate an interested group --say, an industrial. What type of promotional material do you supply? How do you arouse their interest enough so that you can convey this sales-pitch, to pass them to one or three or five other people on the committee to get them motivated to bring the 2,000, 3,000, 5,000 people? Any special thoughts along those lines? Mickey?

MR. HUGHES: I'll take this one. I think the thing to start off with is a very good brochure. Now, we don't even have a brochure. But I tell you this, I'm going to copy Dorney Park's, because Dorney Park has got one of the finest brochures for a park of its size. Their brochure is one of the finest brochures that I've ever seen produced. This is not the only one they've got. They've been doing this for some time and I think that--like the Chinese said, a picture is worth a thousand words.

You know, in our business, we can make all the things that don't look so good look pretty good in pictures. You start them off with a brochure and then get it to as many people as possible and work from there.

MR. KNOEBEL: If I'm out on a call, and I go to the plant, I don't use my business card. I use my brochure. That tells more about me and my operation than any little card will.

MR. HENNINGER: We also use brochures. We also use a thing called "Guide to Pleasure." It's our brochure that tells of the activities of the summer--special events, the shows going on, community days, and so forth.

CHAIRMAN EVANS: Okay, panel members. How do you feel about guaranteed attendance requirements? Does that enter into it at all? When you approach your customer, do you, in any way, extract a commitment from him, as far as numbers? Again, we're talking about January--as right around the corner. I think that one of the problems we're dealing with is that we need an analysis from the other end. It's a very unrealistic concept--the size of the group that they're potentially bringing in to your facility. Is there any way--or tools or methods that you've put through all this?

Basically, what I'm asking, is for a guarantee of their people.

MR. MACDONALD: One of the toughest things we have to face, with an enthusiastic sales force is that they get all excited and say, "We just signed up U. S. Steel. Isn't this wonderful? We're going to put them on the following five days." And on that first day, everybody arrives and there's only 50 of them.

Another way we can handle it is when getting down close to the picnic date, if you haven't worked with this group before, is to see what kind of advance sale they have. We encourage industrial groups to give tickets away to their employees, their employees' families, and so forth and so on. With our large industrials, we make up packets that include ride tickets, refreshment tickets, and so forth. The nice thing about this is that even if they don't come on that particular date, the employee has them in their hands and they can come in another day and use them.

There, again, you go back to the calendar, your work sheets, and check against the previous years' attendance, business. That's the only way you have to know. If these tickets are in their hands in advance, that's a guarantee in itself. Even though they may not come on that particular day, they may come at a later date.

CHAIRMAN EVANS: Thank you. I think I heard you say, Scotty--correct me if I'm wrong--that you encourage the groups to give their tickets to as many people as possible - family, friends, and so forth - right on down the line. Is that what you said?

MR. MACDONALD: Yes, basically. What brings money into our park is as many tickets as we can get sold. They give them away, but the company is charged for them. That's what brings money in. If they only give away \$5 worth of ride tickets or \$50 worth of ride tickets to the employees or the employees' friends, that's great. They get charged for them. They get charged for them--not by use, but as they go out. We sell them books of tickets and they're charged for that.

CHAIRMAN EVANS: Terrific. Dick, how valid is the statement, "We can do everything for you"? Do you feel that that is a kind of a guideline at Knoebel's?

MR. KNOEBEL: Yes, and, no. There's some things that we don't want to do, and that is to decide any amount of tickets that they want to distribute among their people. We don't want to decide how many they're going to give them and we don't want to be the party responsible for distributing the tickets. Anything else, we'll pretty well do.

CHAIRMAN EVANS: Okay. What I'm going to do, is I'm going to cut through some of this. We've had some requests from the audience --to get to the question and answer period. The way we're going I think we could go on for about several more hours. Of course, we don't want to do that. We'll eliminate it as we go along.

There is one phase of it that has emerged several times today as being very vital. I know it is in our operation--and that is group catering. I think we have a couple of experts up here, and I think one of them is Randy McCann from Herhsey. Randy, tell us, do you have in-house catering service and can you give us a little idea as to how profitable it is and how important it is to your group sales potential?

MR. McCANN: All food and beverage is done in-house at Hersheypark.

We have a staff of about 600 seasonal employees that work throughout the park. In addition to this, we have our own catering service which encompasses about 25 employees and their own supervisor. They do all the caterings for the park. Most of the caterings are on Friday, Saturday, and Sunday. So, the employees might work three 12-hour days in a row so they can have off earlier in the week. Catering, as you know, from what everyone has said, is the most profitable situation that a food department can be in. You already know exactly how many people are coming and exactly what they're going to eat and you know exactly when they're going to eat, so your labor and everything else is set up to a tee.

Your highest profitability is in catering. It's much higher. It runs at about 60 to 65% profit. As far as food and beverage goes, anything a group wants within reason, we can give it to them. We feel that's what they deserve. If we have what they want, they can have it.

We have a set group menu that sales uses, but we can deviate from that. We're wide open.

CHAIRMAN EVANS: Thank you, Randy. How about needs for identification? Separating, particularly, in a multi-group operation, where there are various people from different groups in the park and, in your case, certainly, a lot of transients. How do you separate and identify those that are to be fed and those that are not to be fed?

MR. McCANN: Being a one-price park, the only people that would have a name-tag on--the people that are getting specific catering. We do it by color-coding. We have people running around the park with about 18 different colors at any given date.

CHAIRMAN EVANS: How about the--this ought to be right up your alley, Randy. Again, for those of us in the catering business, have seen in recent years the sky-rocketing of food prices. In the 1977 season, we averaged paying 74¢ to 75¢ a pound for hot dogs. In the 1978 season, we were paying \$1.10 a pound. And that's just one example. Everything else was the same way. We do a lot of our selling and committing in the wintertime--in January, long before we're totally aware of what these prices are going to be.

Do you stay with your pre-published prices, or do you have a cop-out?

MR. McCANN: No, we pre-publish our brochure. As a matter of fact, we already have ours printed with prices intact for 1979. We just have to make it on guaranteed commissions and really good food and beverage techniques--good costs--watching your labor, watching your preparations--no shortage, no wastes.

CHAIRMAN EVANS: Does anybody else have any thoughts on this catering before we get off of it? Anything else that might be helpful to our friends in the audience as far as ideas, profitable concepts, controls--anything along that line?

MR. MACDONALD: Basically, we use a control system on the ticket. The individual group will get their employees and their families or whatever a ticket and they will turn these in and they will be billed for the number of special tickets brought in. One ticket for each meal, or whatever it is. We, also, ask for minimums of

30 people before we get into group catering. We also sell individual block items - anything from potato salad to chicken to coffee - whatever they want. This goes right through the sales office. It starts to get into a tricky situation.

You call in the catering manager and the three of them will sit down--or the five of them and work it out. Again, we'll do almost anything we can to help them. We also mark-in our prices in advance. We have a catering brochure and we like to get it out as early--not as early as Randy, but probably by February. We're locked into those prices, and we just have to hope it works.

MR. HUGHES: Scotty, how do you handle it when you've got, maybe, a couple of thousand or 3,000 people coming in and they're going to eat barbecued chicken and, say, you only bill them for meal tickets that are turned in, and when they turn them in, there's only a couple of thousand. You've already set up your catering for 3,000. You're sitting there with 1,000 chickens.

MR. MACDONALD: Well, basically, we have a guarantee situation where they have to guarantee how many people are going to be fed. The reason we went to tickets, is we got into a situation last year where we had to go to a picnic and say, "Hey, you said you were going to have 300. You only had 150." On another catered occasion, they said they were going to have 300 and they wound up with 350. Then they balked, because we had no proof that they let those extra 50 people through. We just saw people going through and we said, "Well, we served 350 people." They said, "Well, you have no record of it." That's why we went to the ticket situation.

MR. HUGHES: Well, you seem to have tickets for controls, but that doesn't have much control over how many chickens you're going to buy for that day.

MR. MACDONALD: They have to guarantee us how many they want fed.

MR. HUGHES: So, you just buy enough chickens to feed those people?

MR. MACDONALD: With a cushion built in--small percentage.

A VOICE: Is anyone using an outside caterer? Do any of you allow an outside caterer to come into the park?

MR. MACDONALD: We're discouraging outside catering, although they may be used. We get 25¢ a plate off of them. We have not completely barred them from the park, the main reason being that some of our industrials are tied in with their own in-house feeding situation. To be very honest with you, we can't beat their price. We're going to lose the picnic if we fight them down, but we do make them come up with a 25¢ charge.

CHAIRMAN EVANS: That's very similar to our operation. We charge a 50¢ penalty - for want of a better word - for using an outside caterer. Another reason why we permit it is ethnic foods. There are some things that some of our groups will want us to install in our menu that we will kind of keep our hands off of, because we feel that they can do a better job, ethnically.

A gentleman back there has just asked, what are the guaranteed times, as far as the food guarantees for catering? In our particular case, it's five days before. Preferably, we have what

we call a minimum base order. No matter how many you show up with, that's the very least you pay for. We do quite a bit--quite a complex variety in food. We have little idiosyncracies of different things.

For instance - chicken barbecues. We only cook the exact number of chickens ordered. We emphasize that loud and strong, whether it be coleslaw, potato salad. It doesn't make a bit of difference. We tell them throughout the proceedings, from day one, when we first start talking to them and they start talking food, that five days prior, they have to give us an absolute minimum guarantee for which they will be responsible for. They can add to that. They cannot subtract from it, as the countdown of days comes closer to picnic time.

MR. MACDONALD: We ask for written guarantees ten days prior to the date, 100% of guarantee will be billed. Cancellations must be in writing ten days prior to date.

Serving time will be determined by the size of the party and, basically, we try to hold that down to two hours.

A VOICE: I've been in promotions for 50 years. I'm still a picnic man, not a public relations man. I've attended many meetings of this sort during those years. There's nothing new that I have not heard here tonight. Before you get into this deeper, remember, it's the same old potato salad, only you people here have put a new twist to it. The same thing that you hear here today is old, but you must go home and put a new twist to it and the outcome will be favorable.

CHAIRMAN EVANS: I agree. It has to be adapted to your particular facility.

A VOICE: Mr. Chairman, what is the percentage of groups generated from 25 miles or 50 miles - at the most? One other question. May we write for some of the brochures and materials that you're using, such as schedules and forms and check lists--from the panel members?

CHAIRMAN EVANS: I think the first question - and bear with me - let's handle one at a time. What is the market area--percentage of groups generated from 25 to 50 miles and over? Who'll handle this question? Does anybody have any feeling about that particular question?

MR. MACDONALD: Basically, we don't keep a demograph down to 25, 50, 75 or 100. We figure our core base - as Henry uses the term - is 75 miles. We do considerably better as we get closer.

MR. KNOEBEL: We've found some things that are strange in regards to geography and the ethnic population in the areas. We do much better north and west of our area than we do east and south. We have mountains to the south. Also, to the south and west, we're getting more into the anthracite coal region--the Polish and Irish areas and you say picnic to them, and you're saying beer. We don't allow it. So, I get the door shut very fast right there. Not my door - they shut their door on me.

A VOICE: Do any of these groups require pre-payment of the groups or, if they do not, how soon do they require payment?

CHAIRMAN EVANS: The question is, do any of the groups require pre-payment for the picnic expenses or, if not, how do you budget this?

MR. McCANN: We require no contracts - only a handshake. We require no deposits at all. A minimum guarantee is not required until 24 hours before the date. We will take cash at the time of the catering, or we will bill you. We're very trustworthy.

MR. KNOEBEL: Our operation is exactly the same.

MR. MACDONALD: Basically, we don't require any pre-paid with the exception of school groups or tour groups. We'll ask them to pay on that particular day. We'll also bill. We would like to say that we don't have any deadbeats.

CHAIRMAN EVANS: I think it's terrific that everyone does something a little different. In our case, we do require deposits of just about everyone. Again, being 95% or greater in the group business, we feel that we cannot afford no-shows. We do not want picnic area number 24 empty on July 14th, just because somebody didn't have the good sense to call up and say, "Hey, we're not coming."

We found that the financial commitment is vital. We keep it as small as possible and increase it every two years because of inflation. You know, the \$10 bill is no longer as valuable as it was on this day five years ago. So, on larger groups, we do take a substantial deposit, because we are committing large sections of the park. We take a substantial deposit. We extend credit liberally. We hope to be paid within 30 days, but almost anybody can come in and sign the bill and say, "We'll send you a check."

A VOICE: I'd like to make a comment on an earlier subject, and that was school outings. I'm from Libertyland. We found out this year that there are federal funds available to school groups to take trips to certain parks, especially if there's an educational value. I don't know how it is in your state, but in the state of Mississippi, we're doing a lot of this and I'm sure there are other areas in the country. Thank you.

CHAIRMAN EVANS: Thank you. There's a couple of things I would like to hit real quickly, because I think they're kind of vital. They have reappeared time and time again in similar sessions.

How about bus drivers? There seems to be a strong variety of how we and what we do for bus drivers. Does anybody have a bus driver policy in the sense that the bus driver is bringing a tour to the park--you know, a charter bus. Dick?

MR. KNOEBEL: Any bus driver that brings a group to the park can come by and receive a ticket from our office for \$1.50 toward his dinner.

MR. McCANN: We have a bus drivers' lounge. It has a tv, coffee, cokes--stuff like that. They can spend the whole day there. They get in the park free. They get to use the employee cafeteria privilege just for driving the bus down--no chocolate.

MR. KNOEBEL: When you've got 90 screaming kids on a bus, you realize that ours isn't worth much, either.

CHAIRMAN EVANS: How about follow-up procedures? After all is said

and done this season, the picnic has been held, and you have shaken hands and gone on your way? Any follow-up procedures so that you can kind of insure - other than the fact that you've just given them a great day - that you can bring them back next year? I think a couple of people mentioned Christmas cards. Do you actually send a thank-you note or letter or any type of a message to any of these groups, after coming in?

MR. MACDONALD: Yes, we do all of those. We send our sales staff out, not only to sign the contracts, but to send them out in the fall to follow-up personal thank-you's. The question came up about direct mail. We don't use direct mail. Our mail is personal mail, individually signed letters. Now, the salesmen will go around and see these different committees and so forth and so on. They shake their hands, thank them, whatever. It really does it for us.

CHAIRMAN EVANS: Moving right along. I apologize for what I consider a rather important question if you're in the picnic park business, such as we up here are: how do you get the people out of the picnic grounds and down on the midway, where they will spend some money? Mickey?

MR. HUGHES: Most parks have a picnic area and a contest area. The contest area, I think, should be at the other side of the park from the picnic area. So, when they've had their meal and they want to go up and see their contests or whatever they are--volleyball and many other things--they have to walk right through the park. If you have a free show, the action should be near the contest area, so the people would have to go from the picnic area up to the contest area and, consequently, walk through the park, so that you get a crack at them with the games and the rides.

CHAIRMAN EVANS: We do a real heavy job on the p.a. system. Again, keeping in mind that most of--we do almost entirely group business, we aren't offending the transients, because if we get a handful, we'll be announcing things all day long - "Breakfast will close in half an hour" - what-have-you. When the rides open, towards the end of the day, we start giving things like some discounts on particularly perishable items that may not hold up until our next operation - candy apples, Kraft carmel corn. We believe in keeping them well-informed. If they know what's happening, it creates a big of magnetism. They participate.

I've been keeping an eye on the watch and we're a little over already. I think in fairness to you, for those of you who would like to stay a couple of minutes, any questions you have, we will try to handle for you.

The man in the brown suit asks this question. Does any park offer a money-back guarantee for food and the day in general? Is that, basically, what you said, sir? If they're not pleased with the results of the day?

MR. HENNINGER: No. Kennywood does not offer any guarantee. We feel that our service is our reputation. We can't conceive of anything being so bad that they would demand a refund. Our whole direction in group sales is to get the money in before the day of the picnic and provide them with the service.

A VOICE: Are any of you people paying commissions in the group sales business?

CHAIRMAN EVANS: It's been pretty well established that we do not pay commissions. Now, several other people in the audience said they do pay commissions.

A VOICE: How many people in the business are selling tour packages? I don't mean people selling--working for your company.

MC. McCANN: We have commissioned several agents, now, plus several company men.

CHAIRMAN EVANS: I'd like to ask Randy, what's the variety of rates that you charge for the catered food and, also, do you combine your food prices with the pay-one-price?

MR. McCANN: All food is in addition to pay-one-price. The catering runs anywhere from all-you-can-eat for \$2.95 to the most expensive - the chicken barbecue, at \$3.95 - next season, and that includes everything except for the drink.

CHAIRMAN EVANS: I think someone requested if literature is available. I, for one, would be very happy to send anyone literature and in a couple of minutes, we're going to close down here. If you would be so kind as to give me your name or your card or something, I would be very happy to put our literature in the mail to you. Does anybody else feel the same way on the board?

A VOICE: We're just new owners of a park and want to get started in company picnics and we cannot imagine having a company picnic without beer, but we really don't want to provide it. What do you people have to say?

CHAIRMAN EVANS: We, at West Point, do use beer. We provide it. We feel it can be run successfully. We can't imagine running our particular business without having beer available. We have all kinds of rules and regulations and stipulations--right from the very inception. In the literature that we communicate to them, we let them know what the law is. We have signs in the various pavilions and service areas that further spell out curfews. We make announcements, again, on the p.a. system and, as you recall, we use our p.a. system very much. We announce service areas opening and we will run through the social laws, such as "under 21"--and that sort of thing. We find that by keeping people well-informed, we, at our operation, can use beer and have no real problem. Does anyone have anything on the other side of this?

MR. HUGHES: I want to talk to you about this. It's a very difficult thing. When you get into the group business, you don't make any money on it. You don't make any money on selling beer, because you sell it in bulk, unless you have a license. If you have a license, it's something different. If you have a small picnic--and some of these small groups want to get together, they come into your park and buy a couple of hundred dollar's worth of beer and they give you more trouble than a picnic that drops down \$20,000. They want to stay, also, at night, until the beer is finished. If they don't finish all their kegs of beer, then they want you to give them the refund for the beer. Now, you have to get the beer from a supplier. He has to bring it in. You have to have somebody down there to tap the beer. The beer can cause you problems. If you can avoid it, stay away from it.

MR. HENNINGER: Kennywood doesn't permit alcoholic beverages, but I disagree with Mickey that it wouldn't be a profitable operation.

We just don't think that it's necessary. I don't think we've lost a picnic that we've had because of it. We've certainly seen many picnics that we might have been able to entice with beer go somewhere else that provides it. It's a very difficult decision. There's no doubt about it. I think you really have to look at the consequences and decide whether your geographic location and the type of person you get in your park can handle it. We don't feel we can, but it is a tough situation and we try very much to say, "You know, the picnic is for the family," and if a group wants to go and have a stag party - granted, we're using that to make it look good on our side.

MR. HUGHES: The unfortunate thing is that you sometimes get members of the picnic committee who have a large group that's going to bring in a lot of money, and they want to have beer for a small group within the picnic itself and you've got to go along with it. You have to look at it very carefully.

MR. HEAVENER: I just want to say something--another side on this. Now, our industrial picnics--we only have two picnics in the whole season that do not have beer, which are very successful picnics. Now, with the ones that have beer, we do not supply the beer; they bring it in themselves and it can be a headache. We make them sign the alcohol release for anything that might happen because of drinking beer, and if they're not satisfied with that, then somebody starts sneaking in a quart of whiskey here and there and that's what gives you the problems, so I would advise very strongly--with as much business as we have in the park, I would advise you very strongly to stay away from it.

A VOICE: I'm from African Lion Safari and I'd be interested to know--from my impression, all the places that you run, people pay as they go in and the facilities are available. At the Safari, the main facilities are not in the park, because you can't have the rides in with the animals. Do you pay everything at the front entrance?

MR. MACDONALD: No, we do directly opposite of that. They pay as they use the facilities. If they want to ride a ride, they get a ticket. If they want food, they can use any one of the food stands to buy food. We don't have pay-one-price or admissions gate like that. Is that what you're asking?

A VOICE: Yes.

MR. HENNINGER: 'Kennywood goes both ways. We do the pay-one-price. We also do the picnic system. The discount tickets must be purchased before the day of the picnic. They are not allowed to be sold in the park. The money has to be turned in before then. After that, you pay for a full-price ticket. Food stands are in the park and you can use the tickets as cash at the food stands.

MR. HEAVENER: We pay as we go. We have no pay-one-price. Everything is--rides included.

CHAIRMAN EVANS: We are totally on a pay-one-price policy and have been completely for a full 15 years or more.

MR. HUGHES: We have pay-one-price. You can come in and pay it and that's it for the rest of the day. We also have a ticket you can buy for a dollar that'll get you on a couple of rides.

MR. McCANN: We have pay-one-price, other than merchandise and foods.

MR. KNOEBEL: We still have pay-as-you-go, except for the industrial picnics after Labor Day--on a pay-one-price.

CHAIRMAN EVANS: Regardless of pay-one-price or the method of admission, do you charge extra for things such as sound systems? Do you provide chairs, papers, etc?

MR. MACDONALD: No, but we provide the people in the picnics with water, ice-boxes, fire-places, if they need them--p.a. systems, if it's booked-group. We just don't hand them out to any individual. There has to be someone responsible involved. As far as the games--areas--playing softball, races or peanut scrambles, or whatever. We don't charge for anything.

CHAIRMAN EVANS: In all fairness to you other people who have to move on to other things and to our illustrious panel up here who must be getting hoarse and a sore throat, I think we'd better start winding it down.

I feel that we've done a pretty good job, though. My feelings would indicate that the picnic park is alive and well. If not that, you certainly have indicated that there's some real keen interest in the group business.

I, personally, would like to thank all the members of the panel of experts and ask you to join me in applauding them for their time and their efforts.

... The workshop concluded at 12 noon ...

WHAT'S NEW THEATRE

and

IAAPA ANNUAL MEMBERSHIP MEETING

WEDNESDAY, NOVEMBER 15, 1978

GRAND BALLROOM WEST

The What's New Theatre Workshop and Annual Membership Meeting convened at 1 p.m., Ed Stone, Opryland, USA, Nashville, TN, presiding over What's New Theatre. Edward J. Carroll, Jr., IAAPA President, presiding over the Membership Meeting.

A VOICE: Ladies and gentlemen, the president of IAAPA, Ed Carroll, Jr.

PRESIDENT CARROLL: Thank you all for coming. We welcome you to the combined IAAPA Annual Membership Meeting and the What's New Theatre. At this time I declare the IAAPA Annual Membership Meeting in session, and I would like to call on Mr. Bob Howard for the invocation.

MR. HOWARD: Would you all please rise.

(Invocation.)

PRESIDENT CARROLL: At this time, it gives me great pleasure to

introduce to you some friends of mine who have helped me get through this year, and they are the 1978 officers of your Association. I'd like them to come out here on stage, and I'd like you to welcome with me Mr. Bob Bell, the first vice president.

(Applause.)

PRESIDENT CARROLL: Truman Woodworth, the second vice president.

(Applause.)

PRESIDENT CARROLL: Clark Robinson, the third vice president.

(Applause.)

PRESIDENT CARROLL: Charles Wood, our treasurer.

(Applause.)

PRESIDENT CARROLL: And Robert Blundred, the executive vice president.

(Applause.)

PRESIDENT CARROLL: At this time, Mr. Executive Vice President, I'd like to call the roll. There is normally a motion in order.

MR. BLUNDRED: Mr. President, as we have done in the past years, I will recommend that we entertain a motion to use the advance transcript of the 1978 registration for purposes of this roll call. Do you wish to entertain a motion to this effect?

PRESIDENT CARROLL: Do we have such a motion?

VOICES: So moved.

PRESIDENT CARROLL: So moved.

VOICES: Second.

PRESIDENT CARROLL: All in favor, signify by saying aye.

(Chorus of ayes.)

PRESIDENT CARROLL: Opposed.

(No audible response.)

PRESIDENT CARROLL: Thank you, Mr. Blundred. We are proud of our accomplishments in 1978. In some aspects, it was an accomplishment just to keep our association intact throughout the year. The main difficulties were government related. The issue of national ride safety and its relationship to the Consumer Product Safety Commission as well as ASTM has come to the forefront. Its focus and impact have been critical, and we as an Association have met the challenge. We met with the Consumer Product Safety Commission early in the year, and through expert preparation were reassured that the Commission would not actively pursue our industry. We will forward to ASTM, beginning participation in a national voluntary safety standard. We as an Association felt that we could not stand before the American people and say that we're not for safety, so we joined all sectors of the outdoor recreation industry and

began the long and arduous task of writing industry-wide safety standards. It's not an easy task or a short task, but one that your board of directors and executive committee feels that we cannot afford to be left out of.

The Federal Labor Department has set up a commission to investigate exemptions to the minimum wage. Since we are a seasonal business, we are exempt. We began the process by which we can influence the government to retain our exemption. We have testified at the hearings and will join forces in the lobbying efforts to retain our exemptions from minimum wage and time and a half.

President Carter has sent his energy program to Congress, and there are sections contained therein that we feel would be detrimental to our industry. We have begun the effort to let the government know that we are ill-effected by certain provisions of the energy program and we would like some changes.

We have drawn closer to our sister organizations during the year. We have an advisory member of our board of directors selected from the manufacturing and sales membership, and AREA has seen fit to reciprocate at this time, and they placed me on their board of directors as an advisory member.

Service to the membership continues to be the overriding and driving force of our organization. We are formulated to serve the members, and at the same time we are the members. A special thanks to those members who stepped forward and helped out by volunteering in 1978. Those people who recognize that it is our Association, not the officers, not the board of directors, but everybody's organization, realize that only through mutually helping each other can we grow and progress.

The executive officers have once again performed in a superlative manner. The banquet promises to be the best ever. Our future convention sites look as exciting as possible. The trade show will again set records, and our membership is stronger than it's ever been. The convention program is dynamic and universal, encompassing the issues facing operators within the industry. Concepts of presentation are new and exciting. The treasury is sound, and the system by which we operate is cleaned and polished. The image of our industry has been upgraded and will continue to be in a constant public relations effort. We have made an effort to supply a solution to the music royalties problem by determining music whose royalties have already been brought out and offer them for sale throughout the industry. You'll hear more about that later.

A special thanks to the people from Busch Gardens for hosting a fabulous summer meeting. It has been my pleasure to serve you during 1978, and I wish you well.

It is my pleasure now to introduce to you a good friend of mine from Opryland, who is the chairman of the What's New Theatre, Eddie Stone.

CHAIRMAN STONE: Thank you. Thank you, Ed Carroll. This year's What's New Theatre will span from magic and a muscular dystrophy telethon to motivation; from crystal balls to Coastermania. I hope each IAAPA member will be able to glean worthwhile facts, ideas and excitement from this presentation. I want to thank each of the participants in this year's What's New Theatre program be-

fore I go any further. They have all really done a fantastic job in putting together their own individual presentations. Without further ado, I want to first call on Dick Andrews, who will present a twelve minute audio slide presentation, which is a product of the Association's public relations committee. The presentation is entitled "Employee Motivation," and I might add will be available after this workshop on a first come/first served basis for ten dollars at the registration desk. Dick Andrews.

MR. ANDREWS: I bring you greetings from the magnificent American West, ladies and gentlemen. This product that you're about to see is the second in the series having to do with "How We Do It." This year's version deals with the topic of employee motivation and benefits. We would like to extend our thanks to those parks that have so graciously cooperated in the production of this. Gentlemen, if you would run that, please.

(Slide Presentation.)

MR. ANDREWS: We hope that you've been able to glean from that brief presentation some ideas that you might be able to take back to your other management personnel. As has been mentioned, this tape presentation is available on a slice/cassette form at the registration desk behind this ballroom. We recommend to you that you may wish to make that purchase and take it back to those people who won't be able to be with us today. Thank you, and I'll turn it back to President Carroll.

PRESIDENT CARROLL: Thank you very much. At this point, I would like to introduce some committee chairmen for their reports. Your committees have been extremely active this year and have accomplished a tremendous amount of work, and there's still a tremendous amount of work to be done. First I'd like to introduce Stan Nelson to give his safety committee reports on national ride safety. Stan.

MR. NELSON: Thank you, Ed. Good afternoon, ladies and gentlemen. This committee has been very active this past two years because of at least two major developments that affect the total industry: the insurance market, availability and cost, and the activity produced by AREA regarding industry standards. On the insurance side of the committee, there has been interest shown by many members for the Association to have a more active role in this particular topic, such as being a reference library for insurance companies, Association group insurance plans, captive insurance plans, getting behind self-insurance tax advantage legislation and more. The load was getting too much for one committee here, so the insurance and safety committee split into two separate entities. You now have an insurance committee and a safety committee, and I feel that this will serve the members more effectively.

The safety committee has been involved in many projects: first aid, security, and what you have heard most about, the ASTM project. We'll continue to work for the benefit of all members. We invite your participation. And how to get involved? Inquire at the IAAPA office, and Ray Sjolander is our coordinator and doing a great job there. Thank you.

PRESIDENT CARROLL: Thank you, Stan. I'm sure that you can all appreciate the very brief committee reports that these chairmen make in no way can detail the amount of work that has passed in a given year, and that's true with all of these committees. And on

that note, I'd like to introduce Joe Malec, who is the chairman of the government relations committee.

MR. MALEC: Thank you, Ed. I'll try to make this as brief as possible. We could talk days on government relations. Ed briefly mentioned our status on the minimum wage. We still maintain our exemption, but the Congress has established a study commission to review all exemptions in the law over the next three years. with the conglomerate problem coming first. We will be constantly monitoring this committee through Al McDermott. our Washington attorney.

Under the federal child labor provisions, quite a bit has happened during the last two years. A proposal is being cleared with top Labor Department officials. A number of our recommendations are contained in the initial draft from the Labor Department. The department plans to publish the proposals in the federal register by the first of the year and ask for written comments. A public hearing on the proposal is also expected to be called within 60 days from the publication date. We expect to testify and to drum up support for our recommendations.

As we reported previously to you, we did appear before an all day conference of the U.S. Labor Department relative to the hiring of fourteen, fifteen year olds in the outdoor amusement industry a year ago, and after that we asked for a response from our members to obtain Congressional help in getting it off of dead center from the Labor Department. The response of you members for assistance was tremendous, and it now appears the Labor Department is about to get off of dead center, although we are still some way away from obtaining improvements in Child Labor Regulation 3. We have been told by the Labor Department people that the strong Congressional report we will receive will not only prompt the department to propose a change in the Child Labor Regulation 3 in the Federal Register--we think that the proposed changes will be helpful, but we will again have to appear at a formal public hearing in support of our position before we can reach any degree of success. The timetable on this, as we understand now, will probably be published right after the first of the year. We will appear at the public hearing, and I hope that we will have some relief prior to next summer.

As far as energy goes in government relations, I appeared on August 10th this year and presented the views of the Association on a proposed contingency gasoline rationing plan at the U.S. Department of Energy hearing in Denver. There will be another hearing on a contingency conservation plan, which could involve a weekend type ban on the sale of gasoline that is expected to be proposed by the administration early in '79. Although the Association expects to actively participate in any future hearing on a contingency conservation plan, we did make a point of including it in our August 10th statement that we were opposed to any kind of contingency plan that would single out the travel/tourist for inequitable or unfair treatment.

A couple of more points. As far as national tourism goes, we've been keeping in touch with Senator Inouye's committee on national tourism, and I don't know whether Ed's announced yet, but Senator Inouye will be here Saturday to attend the banquet and, I understand, receive an award.

Now, our plans for next year as far as government relations.

We are working on an action kit that you will all receive as members that will contain a three step alert plan. Depending on the severity of what we have facing us in Congress, it will give you detailed instructions as to how to contact your representatives and senators and to follow through. We will need to make ourselves felt in Washington. I think it is one of the most effective tools that this Association can have, and we hope when you do get it in your hand, hopefully by about the third month of next year, that you'll read it and have it handy when we put out word for help.

As Ed mentioned, the Association does have a committee studying ways to broaden our base in Washington, to keep tabs on government relations, and you'll be hearing more about this as we go along. We feel that we need to keep even closer tabs on Washington than we are at this time, and the committee has been set up to study these ways.

Lastly, we do have our Washington representative at the two breakfast sessions tomorrow and Friday, and if you have any questions on government relations, I urge you to attend and give us your input as well as what you can get out of our Washington attorney, Al McDermott. On Friday there's an extra added attraction. The White House is sending down Hugh Carter to talk about President Carter's inflation program. I understand he is not going to take any questions, but what we might gain something out of his presentation to us. Thank you, Ed.

PRESIDENT CARROLL: At this time I'd like to introduce Clark Robinson, who is our perennial chairman of the music royalties committee. Clark.

MR. ROBINSON: Thank you, Ed. The music royalties situation has been particularly difficult, I think, over the last four or five years for the Association because of both the BMI and the ASCAP royalty companies have negotiated new contracts, ASCAP within the last year. And since those contracts have been negotiated with member parks, they will have an impact and will be used by the royalty companies involved for parks regardless, for the most part, of the size of your operation.

By way of background, I think you should understand very briefly the basic fees for the various agencies. BMI's contract is based on a five dollar per operating day for mechanical music, for taped music or merry-go-round music, or whatever type you might use. For live music, it is one per cent of the first \$200,000 of the live music cost, and then goes on up from there. The ASCAP contract, which has just been recently negotiated, is based on live music costs as well as patronage, and their fees are two dollars per 1,000 people that come into your park, plus .75 per cent or three-quarters of one per cent of live music costs.

Now, the BMI contract I think is fairly representative, because it separates both mechanical and live music. However, I think you should be aware that the ASCAP contract does not delineate between music that is live and music that is canned or mechanical or on tape. Therefore, a major portion of the fees which you pay for an ASCAP license is based on the number of people that come into your park. Because of the impact a contract of this nature could have on the membership, it became apparent some time ago that some kind of action might be necessary if we were to forestall the application of this kind of a contract. And at that time,

the general membership was contacted by mail through a survey, and of the 400 parks that were contacted, 75 responded. And of those parks that responded to the survey, there were 65 per cent that were in favor of some kind of a class action suit against ASCAP, and 40 per cent were willing to participate financially in negotiating new terms. After discussions with a legal firm that specializes in this area, it was determined that it would cost the Association from \$20,000 to \$50,000 to retain legal counsel for the project. The results of that survey, along with other statistical data, was then distributed to your board of directors for their vote on whether or not the Association should pursue legal negotiations with ASCAP. The board felt that because the costs were excessive they should decline to commit the Association to those kind of cost figures. In summary, it is likely that many of you will be contacted in future months and in future years as far as ASCAP and other music royalty companies are concerned, and we still feel that there are real inequities in a contract that provides a two dollar per thousand people, when there are many, many small parks who do not have live music that rely solely on canned or taped music.

However, there is some light down the road. First, in hopes of providing relief to some members, there will be made available an opportunity to purchase taped music through the Association that does not come under the jurisdiction of either ASCAP, BMI or SESAC. It will be made available through the National Speaker's Bureau, and you'll be able to obtain that taped music in segments that will, I think, give you some flexibility. For example, you can obtain music for a dark ride or for a merry-go-round or for background music, for rock music, or for whatever type suits your need in a park situation. Once a park has purchased the tapes, they would then be theirs indefinitely. The details of this program will be outlined in the next ACTIONNEWS letter. For those of you who would like to obtain such tapes, you can do so at that time.

Secondly, there is currently a combined case before the Supreme Court, ASCAP and BMI versus CBS, in which the issue of price fixing under Section 1 and 2 of the Sherman Act will be examined. The results of this case could have a positive effect on our own members which have music royalty licensing problems, and we'll keep you informed as to the results of that action.

This concludes my report, and if there's any other information or data that I can provide you with at some later date, I'd be pleased to do so. Thank you.

PRESIDENT CARROLL: Thank you, Clark. At this time, we'll move along in committee reports, and I'd like to call on the chairman of the nominating committee, Tom Spackman.

MR. SPACKMAN: Mr. President, members, as chairman of your nominating committee, I have some names of six individuals to submit here in nomination for a three year term on the board of directors. First we have John Batt of Pontchartrain Beach, New Orleans, Louisiana; Richard Boyce, Roseland Park, Canandaigua, New York; John Gurtler, Jr., Elitch Gardens, Denver, Colorado; Peter Herschend, Silver Dollar City, Marvel Cave Park, Missouri; Robert Ott, Jr., Dorney Park, Allentown, Pennsylvania; and James Patten III, Shaheen's Fun Park, Salisbury Beach, Massachusetts. I would like these individuals to stand, please, if they're in the house, and remind you that you're invited to stay over Sunday for the 9:30

a.m. board of directors meeting. Thank you.

PRESIDENT CARROLL: At this time, the chair would entertain a motion to close nominations.

A VOICE: I do it.

A VOICE: Second.

PRESIDENT CARROLL: So moved and seconded. All in favor, signify by saying aye.

(Chorus of ayes.)

PRESIDENT CARROLL: Opposed.

(No audible response.)

PRESIDENT CARROLL: The chair would entertain a motion that the executive vice president be empowered to cast one ballot for the slate of officers recommended by the nominating committee.

A VOICE: So moved.

PRESIDENT CARROLL: Do I hear a second?

A VOICE: Second.

PRESIDENT CARROLL: All in favor, signify by saying aye.

(Chorus of ayes.)

PRESIDENT CARROLL: Opposed.

(No audible response.)

PRESIDENT CARROLL: Thank you. We promised you that we would intersperse some of the What's New Theatre with our rather droll committee reports, and in order to do that again, here's Eddie Stone.

CHAIRMAN STONE: I'm almost tempted to use that corny joke we talked about--Ed Carroll and Ed Stone, two Eds are better than one, but we decided to cut it, so--

It was bad. I told him we shouldn't use it. I'm going to make it just as brief as possible, before we get back to the What's New Theatre presentation I want to give just a brief report on the IAAPA public relations committee. As chairman of that committee, and adding three additional members this year, we continued to present to the media a wholesome atmosphere for the theme parks and attractions as our main objective in 1978. The IAAPA instigated several P.R. projects that we feel resulted in being an excellent way of obtaining these objectives. Let me run through these very briefly.

The second IAAPA "How We Do It" cassette/slide training aid, which was just previewed, was one of those projects. We felt that employee motivation was a priority and that deserved the total membership's attention.

The public relations committee prepared two different releases

in 1978. Approximately 700 of one release was mailed to members of the travel and entertainment media, and approximately 400 releases were mailed to the business and financial media throughout the United States. The use of the releases, I'll have to admit, was excellent, and a beginning towards continuing long-range efforts to portray the industry as a viable and wholesome entity. Many of the newspapers individualized the releases to their individual area.

A television film entitled "America Screams", starring Vincent Price, is in the final stages of production. The feature traces the history of roller coasters through today's popularity. The film's producers, Gary Kyriazi and Scott Campbell, have completed shooting and are in the process of selling this feature to a syndicator or a network.

The IAAPA members and staff worked with Tim Onosko in producing a book entitled Funland U.S.A. The book was published this past summer by Ballantine Books. It includes interviews with prominent industry figures, photos and listings of parks.

Another author, James Reed, researched and prepared the book entitled The Top 100 Amusement Parks with the assistance of IAAPA and its members. The publication includes such listings as the ten most beautiful parks, the ten most unusual rides and ranks the top twenty-five parks.

The P.R. committee worked with Business Screen Magazine in preparing an article that was published in its publication. It went to some producers and directors. This article was based along the lines of the brochure which the P.R. committee prepared in 1977 that stresses amusement facilities as ideal film locations.

The newly formed research committee, which is a sub-committee of the public relations committee, should prove to be a definite strength to the IAAPA members. It was the job and is the job of the research committee to determine whether or not to do a study similar to the Wharton School study and whether or not it should be repeated. The IAAPA's Washington counsel, Al McDermott, has been commissioned to collect and/or find for us a Washington-wise individual that can help analyze and collate information that can be used in lobbying efforts, such as minimum wage, energy and so forth.

Coastermania has been the topic of many national publications and all three television networks. They've carried features recognizing the popularity of roller coasters throughout the amusement park industry. The roller coaster craze has also garnered national wire service and syndicated stories. Network television shows such as ABC's "20-20," CBS' television show "Two on 2," "The Today Show" and other shows have carried features on roller coasters. I know that these are just a few, but I just wanted to mention some of them.

Overall, we feel the efforts for local, regional and national exposure by the IAAPA public relations committee has contributed to making 1978 a successful season for all. And that concludes my report on the IAAPA public relations committee.

I'd like to move right along into the What's New Theatre, and now "The Care that Pays." "The Care that Pays" is a very interesting presentation that is brought to us from Libertyland. Olin

Morris of the New York Times Broadcasting will show us how the muscular dystrophy paid for both M.D. and Libertyland. Olin Morris.

MR. MORRIS: Thank you very much, Ed. And I think two Eds are better than one. Libertyland is an infant compared to all the great parks that span this great country. We opened on July 4, 1976, the Bicentennial year. And this year, 1979, our bottom line ink went from red to black, and we feel a great addition to that was our muscular dystrophy telethon being staged in a 33 hour event. Let me give you a little background before we show you highlights from the telethon itself.

Our biggest week is the July 4th weekend and the week is great vacation season in the great state of Tennessee and the mid-South area. We had a fireman's strike. I think all of you saw the pictures around this nation. It made worldwide news where our firemen burned some buildings. But anyway, we had a curfew during that week. Then the anniversary of the death of Elvis Presley is also the week before school starts in Memphis, and we had a policeman's strike and a curfew then. Our dedicated staff cut expenses, and then they did a great planning job for the telethon that originated from Libertyland and got national exposure over the Labor Day holiday, so we did turn to black, and at this time we'd like to show you some highlights from "The Care that Pays."

(Film shown.)

CHAIRMAN STONE: I've heard a lot about that, and I was very pleased to have a chance to see it and have it as part of our What's New Theatre. Now, let's look into the crystal ball with Dr. Henry Scharles of McManis Associates from Washington, D. C. I'm going to warn you. Pay close attention. This guy has got to be one of the smartest guys come down the pike in this area in a long time, and I'm glad to call him a friend of mine. Dr. Scharles will share with us some factual information on what's in store for the leisure activity business. I'm sure he has some interesting facts and figures. Dr. Scharles.

DR. SCHARLES: I'll try to condense this twenty minutes of presentation to about an hour and a half. It's tough to take this and really do justice to it in twenty minutes, but here it goes. You are in an interesting industry, an industry that's looked upon with envy by some other industries. They look at some of your profits and say, "Hey, geez, we were in that kind of an operation." We know better, don't we? There's some good and some bad things about it. We take a quick look at some of the good.

Growth over the past generation has been good. Annual attendance, approximately 50 per cent of the population between 5 and 64, and that's a good healthy turnout. Amusement Industry, according to Dun's Review, in '77 turned out 2.2 billion dollars. Spending on pleasure doubles every ten years. 1977, 160 billion; 1985, 300 billion. Good healthy increases. It seems to be a recession resistant business. Some interesting ratios. Spending on pleasure sounds good. With the recession, we don't know what the next one will bring us, but probably people will still continue to go to amusement to escape their problems. It happened during the Depression.

But it's a mature industry, and we recognize some things in mature industry are happening with us. There's been little dramatic growth in terms of large numbers, even though the aggregate

demand continues. It's not likely to grow dramatically. There's a down side on this too, though. Some things are working against us. There's saturation. The competition is more than we need and some markets have been completely developed. All the major markets are fairly well developed, and this is a function of a mature industry. Competition comes from other activities, other activities that are growing rapidly. I can remember fifteen years ago playing tennis, and you could walk on a tennis court at eleven o'clock in the morning and find a court. Now you have to get there at 5:30 in the morning and stay until tomorrow. Outdoor trend is a big thing. These things have to be bleeding off some of the aggregate growth in the leisure industry.

Participation activities are growing. The new generation, which we'll talk about shortly, is more active and more into participative activities. Real income has increased more rapidly than the amusement park expenditures--in the amusement parks, that is. And when you look down at inflation and economics, pleasure spending, being a function of discretionary income, is under pressure. Inflation has been putting real pressure on discretionary income.

Labor costs have gone up, as we all know. Re-investment becomes important, both in magnitude and where return on investment is under pressure. Now, I don't want to end on a sad note here. What does the leisure industry mean to you and the industry and the client. Let's take a look at the industry.

The industry itself has a series of challenges: challenge in economics. It's the marginal utility of additional increments. How much more business do you generate with another white knuckle ride or another water ride, another dark ride, any additional capital investment? Marketing: what product mix will maximize or maybe optimize payback, both in long and short term goals. This is one of the things that I want to start stressing, looking at the long-term payback. Promotional strategy has to start taking into consideration some of these things that we mentioned on the competition and the new market segmentation, which I think is upon us. Planned maintenance--say no more about labor costs and grounds upkeep.

But let's take a look at how the public looks at our business. Your client, the public, looks at leisure as an opportunity to recreate, to give identity and to rise out of anonymity. It's a very important social function you serve. It's a hygiene activity. It's like scrubbing your teeth. You can't do it once and it's behind you, like buying a tombstone. It's a growth activity. It's an ongoing process, leisure is. In our specialized world, leisure is the best option for developing the holistic person, the mind, the spirit, the body. I'd like to take a quick quote from Robert Lee's book, Religion and Leisure in America: "To be at leisure is not to be on vacation from reality. Leisure is the time for discovery, the occasion for learning and freedom for growth and expression, for rest and restoration, for rediscovering life in its entirety; also responsibility."

The human organism operates through two basic complementary phases, effort and relaxation. Effort is the output; relaxation is the input, the recharging, the restoring, the growth. Either can be served through play or through work. I think most of us are pretty well self-actualized, as Maslow would describe it, where we enjoy our work because we're performing at a high level of our

capability, but we can accomplish much of this also through our play and leisure activities. To include some of each in play--each being effort and relaxation--gives the experience more impact. It gives added appeal. Maslow says, "People seek peace experiences." These are usually more available through play, work settings or are task-oriented, and rarely have a primary focus of individual satisfaction. We can't afford that luxury.

Over the years, I've studied play. A lot of people wonder what I mean by that, but there's been a good bit written on theories of play, and it goes back to Plato. It's not a recent phenomenon to look at what is play, what is leisure, constructive leisure. From Plato on, it was 23 theories from current through classic. It serves as an escape, an escape from risk, ritual, anxiety. It's a use of surplus energy. That's a pretty simplistic explanation for it, but it's the use of surplus energy. We do it because we have to do it. The body's normal state is to be in action, and when work is gone, we fall into a play mode. Competency. Practice. We do it because we're good at it and it gives us satisfaction. And I followed this up at one point. I thought, well, that would mean a dentist would be interested in doing miniature stuff. I've talked to dozens, literally dozens of dentists, and I've never found one that likes to work in miniatures. After working in a mouth all day and being very good at manual dexterity in a minute area, I've never found a one. So, keep in mind, these are all theories. They all have elements of truth, and they all have certain gaps which prohibit them being applied universally.

Work is a challenge to growth, to grow, to compete. Risk-taking plays a big role in play theory. People climb the side of El Capitan to provide stimulation to the system, to the organism. Emotional release. Instinct. We do it because it's in our genes. Security. It reassures us that we have a known and predictable activity. Repetition of pleasurable experiences as ritual, and then just sheer practice to do things at play, because it's practice for life. That's through the present.

Now, what does that mean for changes that are occurring right now in our industry and what I think the future might hold. Let's take a look at the client. I think we have to look at the new youth, the youth that came about in the 1945 through 1960 baby boom. About 1960 apparently we discovered what was causing it and things dropped off precipitously after that point. But until then, people like you and I were making some big mistakes all along the way. As a consequence, we have a big hump in the population, as you know, that's passing on down the line. I worked with the American Association of Retired Persons a couple of years ago developing their site selection program, and this is a major factor with them. When that baby boom hits 45, 50, 55, this is a scary thing when you think about the monstrous number of people that are in that group. This is the group that's going to be hitting you in a big way very shortly, certainly along with hitting the AARP. What's different about that group? Well, they are very big on participation and involvement. They like to have their hands on learning; very practically oriented, in addition to being pretty sophisticated. They're very individualistic. We've indulged them. We've given them the best of everything that a very affluent society can provide, and we harvest the benefits and the pains of it. They like small primary groups. They're tending to smaller families just by deferring the beginning of the family until 30. That means that you're going to have women with fewer child bearing

years and you're going to have a smaller family as a consequence. They like the individual activities. They demand more control over their environment and destiny. If you've hired any young professionals lately, just see if you can boss them around like you used to be able to be bossed around. You've got to reason with them. They're interested in practicality and self-improvement. They question. This goes back to the individual orientation. They like a variety of experiences, some on the same day. I remember my father, when I wanted to go to the movies twice in one week, he said, "What are you, pleasure mad? Twice in one week?" It's a different age. Now they go out and have three double features a day. But this is something we have to keep in mind when we're working with them as a client system--the variety of experiences, and the time is available, as is the affluence to support it.

Change. They're much more attuned to change than we are, and I include you with me. I'm sorry. They have a transiency of interest. They become avid fans of something, and just as rapidly drop it. They're looking for immediate gratification to a larger degree than previous generations. In addition to this, we make tremendous demands on them emotionally. Stress-wise, we've brought them into a world that is really demanding. They also need more escape mechanisms. Ritual plays a large role. They seek stimulation at the same time they seek escape. They're looking for growth.

Now, does your operation respond to these growing needs? Is it preparing for them? We've got to look at the participation and involvement, going right down that list that we just talked about, to include activities in our operations that will address the participation, individualistic orientation, control of the environment, change, but not too much stress. Dr. Seyle has been active in studying stress over the years, and at one point it looked like stress was dysfunctional. But he's come up after 40 years of study and he finds out that stress isn't necessarily dysfunctional. And I disagreed with him at the time that he was talking about stress being really dysfunctional, because I sort of enjoy stress. There is a joy in working against the clock and doing more than you thought you could. Are we building this kind of stress, the stress that he calls use stress, stress that provides stimulation and satisfaction, into the activities or into the planning of activities for our operations?

What are the public's future needs in leisure? Some hints may come from a fellow named Abraham Maslow who developed a hierarchy of needs, and he said the most basic needs are the physiological needs, life support needs. Next is security, need for predictability, known safety. The next is self-esteem, and then the most elusive need, self-actualization: the need to perform, to develop, to perform to the highest level to which one is capable. What a joy that is!

Let's take a look at what kind of satisfaction the average American wants. He says that physiologically we have 90 per cent of our needs satisfied. Security, about 80 per cent. Love and self-esteem, 50 to 60 per cent. But self-actualization, about 10 per cent. If you look at the kind of things we appeal to in the leisure industry, we tend to look at things that are focusing on the physiological and security, which brings us right back to the marginal utility. Remember the value added with incremental additions. If we continue to work on the needs that have been

largely fulfilled, it's much more difficult to satisfy the remaining few; as in physiological, to satisfy those last ten per cent is a very difficult thing. To look at self-actualization may be more creative, but it probably can be done much more cost effectively.

The more needs are satisfied, and the more they continue to be satisfied--that's an important thing, and that comes out in another thing I wanted to mention--the more difficult it is to satisfy the remaining. Frederick Hartsburg put together the motivator hygiene theory, and he said some things if they're satisfied, that they will contribute to a lack of dissatisfaction, but not necessarily to satisfaction. Other things given, if the individual is satisfied, then it can motivate the individual. Let's take a look at what he says. He ties this to the work setting, but I think they're inseparable from what we're about in leisure.

The things that are important as motivators are responsibility, recognition, opportunity to perform and grow, achievement and the activity itself. These are the motivators. They have to be built on a solid foundation of the hygiene factors of a pleasant work setting, good inter-personal relations, the relational environment, the competency of the supervision, equitable compensation. What does that sound like? It sounds like the things we are really interested in in amusement and leisure. The work setting--we're manicuring the plant all the time. Inter-personal relations, working with the staff, the attitudes. Competency of supervision, making sure it's well run and smooth. Equitable compensation, pricing. All of these things are needed, absolutely indispensable, but they'll only take you to the point where we can now start building on motivation, and that's where we are. It has obvious meaning for the leisure industry.

To translate this into our terms, we've tried to eliminate the things that dissatisfy, but we have not been attentive to the same degree to the things that motivate, that will really provide the attraction. We have to continue addressing the hygiene factors, but increase attention to the motivator factors. Just as in Maslow's hierarchy, we can't just disregard security needs. We have to continue meeting those security needs as we address how do we reach that self-actualization. How can we challenge and provide a sense of satisfaction to the client in the future? We'll look at the client public, and then to the industry.

There'll be higher stress, probably more emotional problems. The industry has to look at the need for stress reduction, escape needs, providing opportunity for developing coping skills. You're going to have a client system that's better educated, more affluent, more sophisticated. They'll have been to several parks before they get to yours. They'll know all kinds of operations before they have experience with yours, and they'll be much more discerning. And since so much of our business is dependent on repeat business, we have to keep that in mind. They're going to be hedonistic, pleasure oriented, seeking satisfaction for themselves in situations that are largely immediate gratification oriented. You cannot have a delayed gratification. Now, we've understood this in the leisure industry for a long time. What I'm trying to do is build a model that we can do our planning from. They're going to have avid but passing interests. This is the disposable society. It's going to be difficult for them to kick the habit. This means disposable interests, disposable fancies. We've got to keep in mind we're not throwing out the baby with the bath water in any of

this--we're keeping activities that we have, but we're looking at incremental value. We're looking at what can we do new and different.

The new things should be looking at how can we orient it to individual and small groups? Activities which permit involvement, control provide satisfaction for individual achievement, recognition. I don't want to sound like the guru. There was a great Himalayan guru and there was a chicken farmer that lived in the valley, and his chickens started dying. And he went up to the mountain. It was an all day, arduous task to get to the top. And he said, "Oh, Guru, my chickens are dying."

And the guru said, "What are you feeding them?"

He said, "Corn."

He said, "Feed them wheat."

He went back down the mountain. Two weeks later the chickens were still dying. Up the mountain again to the guru. "Guru, my chickens are still dying."

"How do you water them?"

"I water them in small individual wooden bowls."

"Don't use wooden bowls. Use galvanized troughs."

Back down the hill. Galvanized troughs. They kept dying. Went back up. He said, "Guru--oh, they all died. I'm sorry. Oh, geez." Went back up. He said, "My chickens have all died, Guru."

He said, "That's really a shame because I had a lot more solutions."

I'm not trying to be a man who has solutions that outlast your problems. One of the problems we have is the success we've enjoyed. Success tends to make us shortsighted, gives us hardening of the arteries. We lose some of the resilience. You've heard too many people say, "Hey, look, if I'm wrong, how come I'm successful?" Well, up to now. You know, the people who made buggy whips said the same thing right up until 1920. What we have to do is realize that virtues and strengths become vices and weaknesses when continued to excess practice, and where a practice was a foundation for success in the past, change may render that part of the foundation for our demise. The changes that we have to be looking at is a matter of mix, not of elimination. The white knuckle rides will continue to be a thrill. They will continue to be an attraction. But how many more white knuckle rides can you put on and be cost effective, as well as add anything to your competitors? It makes me think of an immigrant came over from the Old Country and could not speak a word of English. And he went to this little colony in one of the cities and they taught him, "Look, everywhere in the United States you can get apple pie and coffee, so you won't starve to death."

"Apple pie and coffee." The guy practices. "Apple pie and coffee. Apple pie and coffee." Very proudly goes out. "Apple pie and coffee." They bring it. Seven days, ten days, fourteen days, three times a day he's eating apple pie and coffee. He said, "Gee, there must be something I can do."

He goes back to the colony. He says, "Hey, look, is there anything else?" Everywhere in the United States they have ham sandwich. Ham sandwich, ham sandwich, ham sandwich. He goes down, sits down, very proudly. The waitress comes over and he says, "Ham sandwich."

She says, "White or rye?"

He says, "Apple pie and coffee."

We don't want you to take that quick a turn. You've got to follow through. The more needs addressed by an attraction or a park, the greater the impact and appeal. If we look at all the theories of play, if we look at Maslow, if we look at Hartsburg, we can find things to fine tune what we have. We can find things to give new direction to our future development. The greater the number of motivators and needs addressed, the stronger the attraction naturally. There should be an increased opportunity for individual and small group involvement and more non-gadget oriented activity, where equipment and capital investment are a minimum input. That's important for two things. It makes it especially attractive because it has appeal to them, and it makes it attractive to us because it means less money going out. It does mean a little bit more brain going into the planning. To have it small group oriented may not be cost effective in all areas. We understand that but we can structure that reception. Just as the illusion of people coming out of boxes and pigeons coming out of napkins, we can develop illusions.

Think of the Japanese garden. The Japanese garden takes a very small space, and by changing the consistency of the gravel every few feet, you get a different feel underfoot. They change the height of the plants as you walk around this curving path. They have highlighting elements like a goldfish pond, and as you go through it, and you get a sense of space. You can do the same thing in reverse to give a sense of intimacy, in spite of having large groups, which are an imperative for the kinds of operations we have.

Let's take a look at the interest patterns of the 20 to 30 year-old group. They may give us a hint for the future. A guy named Dr. Strong did the Strong Interest Studies. Very interesting stuff. He found that 90 per cent of the interests that are in place by the age of 25 will be there by the age of 50. That gives us a lot of data. Disney said adults are only kids grown up. He knew what he was talking about. He did it from a visceral level. Strong does it from a theoretical level, and they arrive at the same point. It's the clientele that we're looking at, this new hump moving through the population--emotional involvement with limited risk taking. Risk taking to be there, but not to the point where it's a threat. Immediate gratification. Frequent change for repeat business.

This has several dimensions to it, doesn't it? We have to look at a profitable life cycle. Once you've built a five million dollar roller coaster, you're stuck with that for 20 years--hopefully you'll be stuck with it longer. It's a valuable thing. But the new additions should be looking at possibly shorter life cycles, things that can be moved to maybe other parks. Maybe a clearing house within the association would be valuable for something like that. And certainly construction techniques have to take into consideration the transient nature of the activity. I was born and

raised in Miller Grove in Philadelphia, and Miller Grove was the place to go when I was a kid. Well, Miller Grove didn't change from one year to the next when I was a kid. I don't know what it's like now. But that's not the answer anymore, is it? The need for continuing change, the need for the stimulation of change is there, and this generation will have that desire for continuing change.

How do we deal with this in marketing? I think it's important to look at some motivation studies. I've seen market study after market study. My firm does them. Most companies, amusement oriented companies, are reluctant to get into motivation studies. They want to know who and what, but they really don't want to take the time and trouble to find out why, and I think maybe this is a big need. I feel confident that it is. I think projective studies, where we delve into what makes play play, why illusion, what's the value of recreation to the individuals--

I think, in conclusion, you'll have an opportunity to provide an invaluable contribution to the nation's emotional health and do it at a profit if you recognize leisure as a broad spectrum of very serious activities, addressing many needs. Thank you.

PRESIDENT CARROLL: Thank you very much, Dr. Scharles. At this time I'd like to call on some of the officers for their reports. First, Charles Wood, your treasurer.

MR. WOOD: Mr. President, members and friends, I'd like, if I might, to go back to 1977, when Roger Shaheen was your treasurer. And at the end of his term, he felt strongly that we should change our accounting firm. The firm we had was outdated, and as a result, Roger, Ray Sjolander and myself interviewed four different accounting firms. After much deliberation, we hired the firm of Skalitzky and Noonan to take on the work for the IAAPA. Tom Skalitzky was the account executive assigned to us, a full partner. And working with Ray and the finance committee, we designed a whole new chart of accounts. And at this time I'd like to thank the finance committee for their loyalty and for each member attending all four meetings we had. Not only is the finance committee made up of executive board, which are your officers, but included Ed Carroll, Sr., Scotty Macdonald and the non-board member, Bruce McKinney. These gentlemen gave of themselves and their time, argued, deliberated and came up with an excellent chart of accounts, so at the end of this year we'll have a fine accounting of your income and your expenses.

Before I close, I'd like to say that just because I have booked a six months trip around the world, it has no bearing on the end results of the fiscal year of the Association.

We have had an excellent year due to the size of the convention, the increase in membership, and I'm pleased to announce that we will definitely have a surplus at the end of this year. If I may, in closing, if Ray Sjolander is in the room, I'd appreciate it if he'd stand up and everybody see our business manager, for Ray is new and has done an outstanding job. I'd like to give him a round of applause, please.

PRESIDENT CARROLL: Thank you, Charley. I think Ray Sjolander is over at the World Trade Congress at this time helping set up our trade show. The next officer's report is that of Clark Robinson, the third vice president, who is in charge of your program. Clark.

MR. ROBINSON: Thank you, Ed. I'm sure most of you are aware by now that the scope of the workshops this year has been substantially expanded, and this has been done to provide for broader coverage and also to be able to specialize in some areas that are important to us that we haven't been able to do in past years. There has also been a strong desire of the workshops to provide a better forum for discussion and questions, and so we hope that the format that's being used this year will help in both of those areas.

Since it will be impossible for you to see all of the presentations that are available because of the concurrency of the workshops, and because many of you from parks don't have enough people to cover those workshops, there will be available cassette tapes of all the workshops this year. They're available beginning today out by the registration desk, and as we move over to the World Congress Center on Friday, the booth will be moved there, so you will be able to purchase those. You will also be able to order them in total at a later time. In addition, several months from now, you will receive, those of you who are members, the printed proceedings of our workshops and meetings, and so you can utilize that information there again.

We're experimenting this year with a little bit of a new concept. Thursday and Friday morning we'll have three breakfast workshops, and they will be repeated Friday. They will be the same workshops, so you'll be able to see two out of the three, and we'd like to sincerely thank Morris Kaliff & Son, who have sponsored those breakfasts. They're going to add greatly to the success of those sessions.

Let me just conclude by saying that we really appreciate very, very much receiving any comments or suggestions that you might have. It's been our desire to provide comprehensive workshops that will meet the needs of all segments of the industry insofar as is possible so any ideas or questions or recommendations that you have that we could implement in future years, please give them to us. It's really viable to future programming as far as the next incoming officer is concerned. We thank you kindly and appreciate you being here.

PRESIDENT CARROLL: Thank you, Clark. Next, the second vice president, Truman Woodworth. Truman is in charge of the trade show and membership.

MR. WOODWORTH: Thank you, Ed. Your Association has come a long way, and we're continuing to show a healthy increase in new members each year. I'm pleased to announce that we have 259 new members. This gives us a total of 1,065 paid up members, and Jack and Ruby expect to sign up several more during the show.

I'm going to have to say it again. The trade show is sold out. The trade show is a complete sellout. I'm sure you'll be pleased with the hall and the exhibits. We have 363 companies occupying 695 booths. This is an increase of 77 booths over last year. The staff has done an outstanding job. They have 87 companies on the waiting list, and truly this is going to be the largest and best trade show ever. Thank you.

PRESIDENT CARROLL: Thank you, Woody. At this time I'd like to introduce Robert Bell, your first vice president, who has a committee report on the banquet.

MR. BELL: At the request of the Board of Directors, we are def-

initely committed on convention sites for the next eight years. Considering the difficulty we had in booking our show through 1986, it is my recommendation that the new site committee reserve on a tentative basis for eight additional years. That would put us to 1994. As long as we don't reserve on a committed basis for more than ten years at a time, we're just going to take what's left over, and that could be a disaster. This year, in '78, we're in Atlanta. We're going to have next year and the year thereafter in New Orleans. Then we're going to have two years in Kansas City. Then we're going to be back to New Orleans for two years, and then we're coming back to Atlanta for two years. That means that we won't be back to Atlanta for seven years. My grandkids will be shaving at that time.

On another matter, I have a friend in the outdoor amusement business, and he was talking about our different organizations, and he dropped the remark, kind of in a joking way--he said that the IAAPA was just a glorified social club. Well, I got hacked off. I know better, he knew better, and you know better. But I got to thinking about this later, and I thought, "What is it that is the most important thing about the IAAPA? Just what is the most important thing about this organization?" It's the social aspect.

I don't hesitate one second to grab the phone and call a fellow member and discuss any subject. I'm talking about insurance, safety, ride promotion, techniques of all kinds. And at the same time, I don't mind if a fellow member calls me and want to discuss these things. In fact, I enjoy discussing these subjects with a friend. But let's be brutally frank about it right here. People are reluctant to discuss these personal things with a stranger, and that's why it's so necessary for you to be know and for people to know you. The place where these contacts are made is at the number one social event of this convention, and that is the banquet. A twenty-five dollar ticket does it all.

Let me tell you what you get for your twenty-five dollars. You get the pre-banquet reception. That's a most important event, and that's where you meet the cream of the crop, complete with two drinks per person. Then we move over to the banquet hall, and we're served a banquet dinner: fillet mignon, the finest we could buy. On the table there's a magnum of champagne; there is a bottle of booze, complete set-ups for the rest of the night. All gratuities have been paid for the event, fifteen per cent right across the board. There's no need for double tipping.

For the entertainment there is Wendy Holcomb. She's a banjo player, and I mean she's dynamite. And we're going to have Mickey Gilley. He's going to win your heart, I guarantee you. And then at 10:30 we're going to have dancing to the Dean Hudson Band until one o'clock. And there's much, much more. This whole thing costs fifty dollars in American money wholesale.

You get it for twenty-five bucks per person. The catch is there's a limited number of tickets, and when we're sold out, we are sold out. Now, a lot of people were disappointed last year because they waited too late to get the tickets. Don't let it happen to you. At the end of the show, there's going to be a booth, and Dorothy Dyra is going to man--is going to lady it. If you miss that, then you're going to have to go to the Congress Center to get your tickets at the registration booth. Don't forget, that's this Saturday night at six o'clock. I'll see you there.

PRESIDENT CARROLL: Thank you, Bob. My prior comment about some committee reports necessarily being dull, I'll have to withdraw that. I think we better add Mr. Bell to our Ed Frick and Ed Frack Show. But I do want you to join with me in a round of applause and thanking all of the officers who have worked very hard this year, who have set out in a few minutes some of the very tedious work. They have been an enormous help. I could have never done it without them. They've made my job easy. I appreciate it, and I'm sure you do. Thank you, gentlemen.

CHAIRMAN STONE: And now let's liven up the place with Chuck Jones of Chuck Jones Magic Enterprises from California, who will dazzle you with some magic presentation. I think most of the magicians prefer to be called illusionists, but bring on Chuck Jones.

(Magic show.)

MR. JONES: Thank you very much, ladies and gentlemen. My name is Chuck, and although I'm a magician, this afternoon I'm not going to try to fool you. I'm going to try to tell you about magic in the amusement park industry. And I'm sure I don't need to tell any of you that magic is enjoying quite a renaissance in this area. We see more magic on television, at county and state fairs, and, of course, throughout the amusement park industry. And, of course, it takes us out of this world of reality into a world of fantasy. Now, magic is really a natural in an amusement park. Santa Cruz Boardwalk wisely chose magic for their main entertainment feature this year. Their bandstand is located on the beach, and as such competes with the traffic and the noise of several major rides. Previous acts failed to hold the crowd's attention. But this summer's illusion spectacular not only held the interest but it brought the audiences back again and again.

Tweetsy Railroad, a medium size park in North Carolina operated a magic show for their second year. To give it a contemporary look and to give way to fit the theme of the western mood, the entire production was skillfully produced in every detail; the costuming, the sets, the music, and, of course, the magic. Now, parks can book an illusion show as a highlight for a week's promotion, such as Labor Day, July 4th Weekend, maybe even Christmas, or they can provide for a show for the entire summer season. In this case, the park provides the talent and the facilities and, depending on their capabilities, sometimes the costuming and the sets. And in this particular case, our firm supplied the magical apparatus, the scripting and, of course, the magical expertise for training and directing and production. A show like this one can be brought in for a fraction of the cost of a major ride, and it can be changed every year. Of course, every park needs a healthy balance between rides and entertainment, but for a small park entertainment of this type is one way they can compete. At the Tweetsy Palace show, we created a character magician reminiscent of the traveling shows of the past, so ladies and gentlemen, may I now present, direct from North Carolina and Tweetsy Railroad, a shah of prestidigitation, Professor Hieronymous Bilge and Company. Please welcome them, will you.

(Magic show.)

MR. JONES: Thank you. Ladies and gentlemen, that was Mike Sims, a man from the Boone area of North Carolina that we trained for the summer season, and we actually had three different casts doing the show, and we had a lot of fun with it. And you can see that magic

can fit into any of them. Magic can be geared to your park. Only the scale and the scope of the production depend on your own objective. Now, before we leave you this afternoon, let me show you one more puzzling feat of magic. Ladies and gentlemen, from our Magic in Toyland production, here's someone I want you to meet.

(Magic show.)

CHAIRMAN STONE: Okay. Thank you so much. We'll turn it back to Ed Carroll, who will have a couple of matters to attend to on the business side.

PRESIDENT CARROLL: Thank you, Ed. We still have some matters to attend to in our annual business meeting, one of which is the resolutions. Would Mr. Bob Howard come to the podium, please? Members of the Association, it is appropriate at this time that we pause to honor the memory of our good members who have gone to their final rewards since the last convention. Will you rise, please, and Bob Howard will give a prayer.

(Prayer given.)

MR. HOWARD: Mr. President, I will read a resolution at this time. Resolved: that we go on record with the unanimous resolution of respect to the memory of those who have gone from our midst since we last met at our annual convention and that we express our sympathy to their respective families and record same in our convention proceedings. Mr. President, I move that the resolution be adopted.

PRESIDENT CARROLL: All those in favor of this motion, signify by saying aye.

(Chorus of ayes.)

PRESIDENT CARROLL: Opposed.

(No audible response.)

PRESIDENT CARROLL: Thank you, Mr. Howard. At this time on the agenda of the annual business meeting, we'll ask if there is any new business.

A VOICE: So far this week we have attended a very successful meeting. This is not in the form of a motion or a resolution, but merely a statement. This meeting was not planned last week. It took a lot of work by you as president, your directors, your committees, Bob Blundred, Grace and the entire staff of the IAAPA, and I think I speak for all of us in attendance here by giving you and for them a standing ovation, and say thank you for all you have done during the past year. Thank you.

PRESIDENT CARROLL: What did you think we've been doing all year, sitting around on our behinds? No. Thank you very much, Doctor. That's very nice of you to do that.

At this time, I would like to introduce your executive vice president for his report. Bob Blundred.

MR. BLUNDRED: Mr. Carroll, fellow officers and ladies and gentlemen, the IAAPA is a mirror reflection of the industry, and as the needs of the industry have broadened, the services of the Associa-

tion have broadened. Such timely topics as ASCAP, minimum wage and overtime and ride safety standards have turned the Association's focus to considering alternative music for amusement facilities, the creation of a research committee to investigate the best ways of using the Wharton study in legislative matters and participation in the ASTM project. Developments in the areas of entertainment, cash control, uniforms, safety and security, merchandising and marketing are all calling for more specialized programs. This year the Association is offering specialized workshops in all of these areas. The expansion of the number of workshops on the program also reduces the number of people in the audience, resulting in an atmosphere more conducive to audience participation.

To illustrate what this expansion of workshops in terms of expertise, ten years ago we had thirty-seven workshop speakers. This year we have 107. Attendance at our workshops has mushroomed over the years. For example, in 1970, 60 people attended the food workshop. Last year, 275 attended the same workshop. In 1970, 130 people attended the ride workshop. Last year, the figure doubled to 260. Last night, the figure was 297.

Diversification of the trade show is another indication of how the Association is meeting the needs of the industry. Now, we all know how the show has grown in terms of exhibiting companies, booths occupied and square feet, but to give you an example of the diversity itself, ten years ago we had eleven exhibitors of food items. This year we have 35. Ten years ago we had five companies exhibiting arcade pieces. This year we have 63 companies occupying 164 booths. Thus the trade show has kept pace with the need to offer the latest products and services required by the industry. The trade show helps you to stay on top in terms of servicing your customers.

Attendance at the annual summer meeting has been showing a steady increase. Several years ago, to satisfy my own curiosity, I asked several registrants who do not only always attend, but who also travel long distances to do so as to why they came back year after year. The most common response was that the summer meeting offers a valuable opportunity to learn operational techniques used by other facilities. More operational articles based on personal interviews with amusement facility owners and managers are being used in the monthly ACTIONEWS. This represents another way in which the Association has broadened its services. In the past year, such ACTIONEWS articles included Sandy Lake Amusement Park, Hillcrest Amusement Park, Dorney Park, Amish Acres, Cedar Point and Lake Winnepesaukee, and more articles of this type will be seen in future issues of ACTIONEWS.

Our public relations committee, in its continuing effort to gain national publicity for the industry, developed two press releases in the past year which gave the media what it wants--facts and specific names, not generalizations. Our government relations committee is putting together a government action kit that will help all members. Your comments and suggestions, opinions and views, whether you express them in writing or orally, are all considered by the officers, the board members and staff. It is your input that helps to bring about the improvements that meet your needs, and it is only through your continued effort that the Association can best serve you. Thank you.

PRESIDENT CARROLL: Thank you very much, Bob. Is Ted Crowell from Disney World in the room? I am informed that he is. If Ted is

here, would you be kind enough to come up to the stage?

Ted, I'm afraid this is a put-up job. You all are witness to a photo finish. Ted has flown in and has just come in the back of the room, and this plaque arrived at almost the same time. I'd like to read this award. It's a certificate of appreciation. "This award is presented to Walt Disney World in grateful recognition of their generosity in hosting the 1978 IAAPA executive committee members and wives during the February, 1978 executive committee meeting in Orlando, Florida." Thank you very much, Ed.

MR. CROWELL: Thanks, Ed. Thank you, IAAPA members and friends. On behalf of the 20,000 employees of Walt Disney Productions--and one of them, a mouse called Mickey, will be fifty years old this Saturday--thank you.

PRESIDENT CARROLL: Thank you, Ted. And with that pleasant duty, I would like to turn the program back over to Eddie Stone, who will introduce Coastermania, which you've all been waiting for.

CHAIRMAN STONE: Fear not. We're coming fast to a close, and for our finale we've selected a panel to present four completely different and, I might add, quite successful roller coasters for a salute to Coastermania. We have selected the Intamin triple loop-er or the Mindbender from Six Flags Over Georgia. Dave Kaplan, substituting for Spurgeon Richardson, will make this presentation. The second coaster will be the Arrow double loop-er with a dark ride section, found at Busch Gardens Old Country, named the Loch Ness Monster. This will be presented by Bill Francisco. Then we will visit Cedar Point for a look at the Gemini. This is a wooden frame coaster with a narrow tubular track. John Hildebrand will take us on a visual ride. And last, but not least, the wooden coaster will be presented by Rick Faber of Circus World. Here we can take a look at what makes a ride on a wooden coaster so different. So without further ado, I'll ask Dave Kaplan if he would come forward and present Six Flags' Mindbender.

(Film shown.)

MR. KAPLAN: Six Flags Over Georgia was the first park in the Six Flags organization to own the Intamin ride. Our maintenance department did a super job to have the ride open and ready for the public on March 31st. Here's how to build a ride in record time, and we're going to have a test on this afterwards, so I want you to take note.

When Errol McKoy, our vice president and general manager, approached Intamin, he told them he wanted the best looping roller coaster in the world. From the beginning, the challenge was to build a looping roller coaster with the loops separated. This had never been done before. In order to separate the loops and maintain the necessary ride span, builders searched out an area of the park where there was a drastic change in topography. It turned out that the park's most difficult construction area was the best location for the Mindbender. Builders faced a swamp 70 feet below a hill. The Mindbender contract was signed in March of 1977. Ground was broken in October, and the first pieces of the ride arrived in Atlanta in January of 1978, and the world's only triple loop-er roller coaster was underway. From the beginning, we believed the Mindbender would be a good ride, but it has exceeded all expectations. The Great American Scream Machine, our wooden roller coaster, was built in 1973, and its popularity has been proven over the

years, but in just one season the Mindbender took over the number one rating, according to park surveys.

The ride opened March 31st, 1978 at a final cost of 2.5 million dollars. The Mindbender has over 3,000 feet of track, featuring two vertical somersaulting loops and a third loop banked at 45 degrees. The coaster reaches speeds over 50 miles an hour, and going into the third loop a rider experiences 5.4 G's for one-tenth of a second. We have two trains running now and will add a third next year. Each train has seven cars that carry 28 people, and the ride can accommodate about 1,200 passengers per hour.

Part of the Mindbender's success is its pacing and gymnastics. With the loops separated, everything doesn't happen at once. This ride has received incredible national publicity. Examples are ABC "20-20", CBS "In the News", NBC's "Dick Clark Live", the Associated Press, UPI, Newsweek, Newsweek Broadcasting, as well as excellent regional and local coverage by both the print and broadcast media. When Six Flags closes on November 26th, two weeks from now, the Mindbender will have ridden nearly two million passengers. It's been a key factor in Six Flags Over Georgia having our third consecutive record breaking year. This year we'll entertain more than 2.8 million guests. At the park, we have a little saying. We say, "We'll bend your mind and stretch your face on the only triple loop in the United States." But since we can't ride the Mindbender right now, let's do the next best thing.

(Film shown.)

MR. KAPLAN: Ed, thank you for inviting me to participate on this panel. We had a few technical problems, but you can ride the Mindbender this weekend. We're open Saturday and Sunday at Six Flags, beginning at 10 a.m. Thank you very much.

MR. HILDEBRANDT: I'm John Hildebrandt from Cedar Point. It's a pleasure to be here with all of you. As near as I can figure, just about one year ago this week my wife Marie conceived our first child. I also believe it was one year ago this week that Cedar Point announced its plans to build Gemini, a giant twin racing coaster. Now, neither event perhaps has much in common with the other. What I didn't know then however was that my wife conceived our second child on the same day she conceived our first. Yes. Her doctor said early in January of this year, "You're going to have twins. Don't worry though," he laughed, "I'll only charge you for one." He thought that was pretty funny. He's always looking for a good line. I tell him that anybody who makes as much money as he does already has a good line. Then he said, "Hey, your wife is going to have twins, and Cedar Point is going to have a twin racing coaster." He thought that was funny, and so did my colleagues at Cedar Point.

All during the winter and spring of this year, while Gemini was under construction, I had to endure numerous cracks about twins, about how wouldn't it be nice if the twins were born on the same day as the coaster opened, and "Just think, Hildebrandt, your wife and the coaster are rising at the same time."

I would read people's lips as they walked toward me, "That's Hildebrandt's twins." It got old after a while. As it turned out though, both events did occur about the same time. Gemini opened to the public on Saturday, June 17th, and two days later, June 19th, Marie gave birth to identical twin boys. Both our kids are born under the sign of Gemini. We decided to call the kids Mike and Tom.

But people around the park had other suggestions. "Well, why don't you call one Jim and the other one I?" Or, "Hey, why don't you call one Cedar and the other one Point?" Or, "Call one Roller and the other one Coaster." "This is the year of the roller coaster," someone said. "There are babies being born all over America this summer who are being named after roller coasters." I think my wife had the best idea though. She said, "Let's just call them Great American Scream Machines."

Mania is spreading. The people in this country have decided that roller coasters are great. All of us here like to encourage that idea, and I think we've done a pretty good job of it. The media, responding to that mania, think coasters are great, too. This year they just about salivated over them. The parks have benefited greatly. No doubt you'll meet P.R. and marketing people from parks this week who will go on and on about all the press coverage they've received on their roller coasters this year. Sometimes the story may even sound a bit incredible. They are, but they're true. The media are in love with roller coasters.

This year Cedar Point sponsored a national conference for roller coaster enthusiasts, which we called Coastermania. It attracted people of all ages and backgrounds, united only by their love for roller coasters. Only a couple of years ago such an event really would have been silly at best, but it wasn't, not this year. The coaster is king.

The reasons for the mania are many, I think. Some are created really by the changes in our culture and society. Others are more practical. We in the park business might think it is the success of parks themselves which has whetted the appetite for coasters. They are impressive things, and they exist only in one place, an amusement park. You won't find them in Uncle Ralph's back yard or at the nearest city park. A coaster is immediately recognizable. It's a symbol for fun, for thrills, for an amusement park. When you are driving along the highway and see the silhouette, you know where you are. You know what it is.

Lots of coasters are being built, as we all know, and lots of people are riding them, millions and millions this year; probably, hopefully, millions more next year. Cedar Point conceived and built Gemini because of that fact. We figured it would be one hell of a draw, and we weren't disappointed. It was a great attraction in 1978, and we think it will be a popular attraction for many years to come. Cedar Point set an all-time attendance record this year of more than 3.1 million people in a 119 day season. Gemini certainly made a big contribution to that figure. Our shareholders get downright misty-eyed and their hearts start to go like this when we speak of Gemini.

Gemini--some facts and figures. Gemini is 125 feet high, measured directly from the patch of Lake Erie sand at its base to the top of the first hill. The first hill drops at a 55 degree angle, and the vertical drop is 118 feet. The ride covers six acres. It is 900 feet long, 280 feet wide. The track length is almost 4,000 feet. It is built of wood with tubular steel rails. The most exciting feature of the ride is the first hill. Quite literally it takes your breath away. The tubular steel rails give Gemini a very fast but I think a very smooth ride. It's a coaster nearly everyone in the family can ride and enjoy. Gemini has a six train capacity with potential of 4,000 rides per hour. It was designed and manufactured, as I'm sure most of you know, by the

Arrow Development Corporation in California. It opened June 17th, 1978, and in its first season, which for Gemini was 83 operating days, gave more than 1.6 million operating rides. Why it's called Gemini I guess should be obvious. We think it's a very good name. We think it's a very good ride. I'm going to show you a short 60 second film clip of Gemini. It says better than I can what Coastermania is all about. The film was shot for Cedar Point by Tom Polk, a self-confessed coaster nut from WEWS-TV in Cleveland, and the slides of Gemini you've just seen were shot by Cedar Point staff photographer Dan Pike. Thank you very much.

(Film shown.)

MR. FRANCISCO: Good afternoon. First of all, I'd like to thank Ed Carroll and Ed Stone for allowing Busch Gardens to be part of this What's New Theatre. As most of you know, Busch Gardens has changed rather dramatically since we became involved with the IAAPA. Perhaps some of you in this room may have visited Busch Gardens in Tampa as early as 1959, when we opened a beer promotional facility adjacent to our brewery. I'll have to admit I take a great deal of pride in belonging to a company which has moved from a beer promotional facility into a business which this year will generate 4.7 million guests in our two parks. Perhaps I take the greatest personal pride in our Williamsburg park, which I had the opportunity to be involved with from early construction. I remember walking around in 1974, when we were moving dirt, and I was also there June the 2nd when we opened the Loch Ness Monster, which has propelled us over that magic two million attraction mark. In fact, I guess the reason we're here today is to talk specifically about the impact of major roller coasters on the theme business.

It's my point of view that the Loch Ness Monster singularly completed our product offering to the consumer and positioned us as the number one attraction in the state of Virginia. I'd like to take a few minutes to describe to you how we opened the Loch Ness Monster and some of the results. Opening day on June the 2nd was the culmination of two years of planning and construction, not to mention six million dollars. Now, let's take a look at how the ride was on opening day and one of the accompanying radio commercials.

(Film shown.)

MR. FRANCISCO: Let's let it finish. Unfortunately we have a two minute ride and a 60 second spot. As you can clearly see, the Loch Ness Monster is not just another roller coaster, but it's truly a unique roller coaster in configuration and ride and safety. In early 1978, we kicked off our campaign for the Loch Ness Monster with a series of press conferences in New York, Washington and Williamsburg. This was the first public detailing of our new ride. In late May we ran a Loch Ness Monster teaser television spot, which used Disney-like animation to create the mystery of the Loch Ness Monster. Let's take a look at that animated spot.

(Film shown.)

MR. FRANCISCO: This was accompanied by a print campaign of double track newspaper ads. Let's take a look at two of those.

(Film shown.)

MR. FRANCISCO: I'm not sure what's going to happen next. But any-

way, that obviously wasn't the newspaper. That was the first of a four pool television spot that we shot about the time that we opened the Loch Ness Monster. We obviously were interested in promoting roller coasters at night, and this was the second as a part of that four pool.

(Film shown.)

MR. FRANCISCO: We intended to produce those spots to create not only a roller coaster but a legend, or extend that legend of the Loch Ness Monster, and we think the commercials do that. Now, the season is over in Williamsburg, and how did we do? Both critically and financially, we are pleased with the Loch Ness Monster. Critically we recieved this story, which appeared on the CBS Network News in June following the operning ceremonies.

(Film shown.)

MR. FRANCISCO: Thank you, CBS. Financially Williamsburg experienced its best year ever with a final attendance of 2,171,000 people. This represents a 19 per cent increase over 1977. It is our opinion that the Old Country has clearly established itself as the consumers' preferred product in Virginia. We intend to continue that position through excellent marketing and continuing improvements and expansion of our product. Thank you very much.

MR. FABER: Good afternoon. I'm Rick Faber from Circus World, and I suppose I should entitle my presentation "Why We Chose the Real Woody." But before I describe our wooden roller coaster, the Florida Hurricane, let me give you a little background on Circus World. Our park is located near Orlando, Florida, ten minutes away from Walt Disney World. We're a subsidiary of the Mattel Corporation and a sister company of Ringling Brothers Barnum and Bailey Circus. Circus World's preview center showcase opened in 1974 and featured the first Imax Theatre in the United States. Two years later we opened our main live circus presentation, entitled "The Day the Circus Comes," and our unique audience participation circus. Since that time the park has continued to grow, with a two million dollar expansion in 1977, including a coaster, a children's playground, a petting zoo and animal display areas. This growth culminated this last summer with the opening of our two million dollar expansion, entitled Barnum City. Included in the new area is a turn of the century railroad depot, including wood carvers, potters, weavers and other craftsmen. Also included were the games and arcade building, four children's rides, an enterprise outdoor show, a new home for our participation circus, and, of course, the traditional coaster called the Florida Hurricane. All this growth has paralleled the maturing process of Circus World as an attraction.

Our history is significantly different from many of your parks. Whereas most recent new parks have opened with a fully developed new park, Circus World started small with a showcase, and has grown rapidly over the past three years. In fact, we are the fastest growing attraction in Florida in terms of the percentage increase in attendance. This brings us to the Florida Hurricane and the reasons for selecting a wooden coaster for the centerpiece of our newest expansion.

For one thing, we already had a steel loop coaster; but more importantly, we were looking for an attraction that had broad family appeal with proven drawing power, an attraction that would

bring further awareness for Circus World. We were looking for something that would fit thematically with the turn of the century atmosphere for Barnum; an attraction that would provide visibility along Interstate 4, the interstate corridor. We felt the traditional coaster fit the bill best. But besides these considerations, when you talk about wooden coasters, such subjective aspects as visual impact, the feel and sound of the ride, the sense of speed and nostalgia play a role in the decision process.

Designed by Don Rosser and Associates and engineered by Bill Cobb and Associates, construction began on the Florida Hurricane in mid-January. Two months later, Marvin M. Black Company, our prime contractor, erected the first wooden bent. On June 18, 1978, the ride opened to the public on time and, I might add, on budget. The Florida Hurricane is a speed out and back coaster. It's constructed from 500,000 board feet of Douglas fir. The longest drop is 92 feet at a 45 degree angle. The track length is 3,500 feet.

Has the coaster been a success? We feel it has. Our attendance for the fiscal year which ends in January should be approximately 45 per cent over the previous year. Just how much of this is attributable to the introduction of the Florida Hurricane is difficult to assess, but what we suspect is happening is that we are drawing new customers, new guests to our park, and our survey results suggest moreover the addition of such an attraction enhances the perception of our product and emphasizes the glowing and balanced entertainment offering of Circus World. As with the other parks, we have gained a great deal of publicity. In fact, the Florida Hurricane is featured in the NBC special "Circus Superheroes with Bruce Jenner," to be aired prime time this winter.

Now, the film I brought this afternoon is not from the TV special. It's entitled "The Hurricane Season," and was produced by Marvin M. Black Company. In the interest of time, we're not going to show you the entire film, but just a teaser, and you can see the rest of it at the trade show. So let's take a ride on the Florida Hurricane.

(Film shown.)

MR. FABER: As I said, that's just a teaser. Thank you. And remember, at Ringling Brothers Barnum and Bailey Circus World, hurricane season is all year round. Thank you.

CHAIRMAN STONE: I want to thank all of you once again, especially the program participants. I want to thank all of you for having patience. We've gone almost an hour over, and I'm sorry that we did, but I think we've all learned a lot. And, again, thanks for coming. Back to you, Ed. Good night, Ed.

PRESIDENT CARROLL: Good night, Chet. Good night, David. Thank you all very much for attending. I would like to extend my thanks to the program participants in the What's New Theatre and to everyone who participated in the annual IAAPA membership meeting.

... The What's New Theatre and Annual Membership Meeting
were adjourned at 4:15 p.m. ...

PROMOTIONS WORKSHOP

WEDNESDAY, NOVEMBER 15, 1978

GWINNETT, DEKALB, PAULDING & DOUGLAS ROOMS

The Promotion Workshop convened at 3:30 p.m., Carl O. Hughes, Kennywood Park Corp., West Mifflin, PA, presiding.

CHAIRMAN HUGHES: The amazing thing about this industry is how everyone is willing to share, whether the park is the smallest, the biggest or somewhere in between. We have a lot of people who are going to share their ideas with you today. The first gentleman shared with a few of us last year in New Orleans. He brought along some slides and showed us what he did during the 1977 season. Several of us tried it this summer. I know at Kennywood we had more fun with this promotion than with anything we have ever done by way of a promotion. So I would like to introduce to you at this time the originator of the Jello Jump, Chris Hines, Western Playland, El Paso, Texas.

MR. HINES: Thank you, Carl. Do I have a promotion for you. This has got to be the greatest thing in the 20 years that I've been in the business, that has drawn the most crowds, and the most publicity that we've ever gotten. To start off, I think that there's one pretty good reason why a Jello Jump is a good promotion, and that is because I, Chris Hines, as a relatively sane adult, father, family man thought it was one of the stupidest ideas I'd ever heard of. That seems to be the secret of attracting youth today. If an adult thinks it's stupid, 10,000 teenagers will show up for it. Just to make one thing clear, I'm a watermelon eating contest and sack race man. I was a watermelon eating contest man until the day in the summer of 1977 when I was sitting in an office with my ad agent, the account executive for Western Playland, the agency media buyer, and the owner of a radio station looked at me and said, "Chris, we think we have a great promotion for you."

I said, "What?"

They said, "A Jello Jump."

I thought to myself, "How stupid. Here I pay an ad agent all this money, and he comes up with the stupid idea of a Jello Jump. Couldn't we just go back to watermelon?"

Well, the argument started, and a couple of hours later, despite the fact that I was the customer and I should have the right to do whatever I wanted to do, I lost.

Let me tell you what happened. The day or the night before the Jello Jump, my security man called me about two o'clock in the morning. He said, "We have about 4,000 people camping out in the parking lot." Many of those spent the whole night outside the Playland, jammed through the gates on Monday in September of 1977. In 1978, even with the new parking lot, close to 10,000 people jammed the park and caused a two hour traffic jam and the best media coverage that Playland has received in the lifetime that I've been in this business. Needless to say, I no longer consider many new promotion ideas for the Playland that are sane. As a matter of fact, here's a proposal that the ad agency was trying to pull off this past summer--the Foamy Experience. What is it? Fill a large portable swimming pool three and a half feet deep with Gillette

Foamy shaving cream. One hundred contestants line up around the pool. Each is supplied with goggles. Throw a hundred car keys in the pool, and all 100 contestants jump in the pool at the same time to search for them. Advantages: very graphic for TV coverage and press coverage. It would be like having a hundred walking snowmen, plus it's over real fast. Disadvantages: what happens if someone drowns in Gillette Foamy shaving cream? The ad agency wrote Gillette and asked them if they'd be interested in supplying shaving cream in exchange for promotional consideration. Gillette obviously thought it was a stupid idea, too. They never wrote back.

All right. You're going to experience it right now. If we can have the lights turned down, I'd like to show you what a Jello Jump is like in this four part presentation, featuring Western Playland, Lagoon, Pontchartrain Beach and Kennywood Park.

(Film shown.)

MR. HINES: I'd like to thank Pat Hart and Pat Cooper for putting all this together. They worked real hard on it. On your chairs you're going to have all the information. You don't even have to ask me for any information. For two years we've had a lot of experience on this. It's all here in this promotion scrapbook. Try it. It's a lot of fun. You'll really enjoy it. Thank you.

CHAIRMAN HUGHES: Isn't that great? Chris mentioned that questions would be answered by the booklet on your chair.

Ed Hutton from Frontier Village Amusement Park in San Jose is going to be our first promotion speaker today.

MR. HUTTON: I will talk for just a couple of minutes on a ferris wheel promotion that we did at Frontier Village out in San Jose. We did it about 14 years ago when I was young and first in the business. I thought it would be a good idea to have a marathon, and it was quite successful. We have a young P.R. man who is working for us, a promotions man, and he came to me after the budgets were set and said, "Can we do a ferris wheel marathon or some sort of marathon?"

I said, "Sure, if we don't have to spend any money." And "You get someone to co-sponsor it."

So he did. He went out and got a savings and loan to co-sponsor a ferris wheel marathon. They put \$6,000 into the promotion. We ended up spending about a thousand dollars, including labor, and the goal of this particular promotion was not immediate attendance at the gate, which we all, of course, work towards. It was to get press and media space. In that light, it did all of that. I did have some long-term attendance gains, too. As a young man might do, he measured it on what it might cost in paid advertising, and that promotion brought us about \$40,000 worth of space. We had all the San Francisco Bay area television stations cover it from four to six times. We had radio stations covering it daily, and, of course, we had a lot of print. Some reporters came out and did feature articles on the individuals riding the ferris wheel.

I'll give you a little bit of background. We ran ads for our marathon and got applications. We had a special panel made up of people in the community and these kids came and applied to be

ferrisnauts. The goal originally was to be on the ferris wheel 29 days to break the record in the Guinness Book of Records. We ended up having a young man and a very nice young lady so we went ahead and put them on the ferris wheel. In separate seats, by the way, and they got along. They became better friends as they went along. They stayed on the ferris wheel basically 24 hours a day, except to get off for necessities. I think the Guinness Book of Records said you could get off ten minutes every hour. One of them would stay on for four hours, and one of them would stay on for two yours. The promotion worked.

We also tied it in with PAL, the Police Athletic League, and the savings and loan printed about 150,000 discount coupons. When those coupons were presented, we went ahead and made a donation for each coupon to PAL, so it was like a triangle promotion.

Another key to this was a portable telephone. We had a telephone on the ferris wheel at all times. Then we had another telephone at the bottom of the ferris wheel so either phone could be used. The disc jockeys from the two radio stations would call in and the ferrisnauts would call them. The original plans were for 29 days but they broke the record. They were having so much fun that they wanted to go on. It went on for 37 days. Thank you.

Several years ago, I did some consulting work for the Manchester Mystery House in San Jose. We did a promotion with Laurel Sutter's Potato Chips. They used coupons that they put inside of a twin bag. We had to use special edible dye and edible paper, even though the coupon was in between the two twin packs. That promotion was a complete flop. This year in San Francisco the wax museum did the same thing with Laurel Sutter. I think he participated over a million coupons at his expense. They were stuffed inside twin packs.

We tied in with a potato chip company called Granny Goose in the San Francisco Bay area. First they put a little headliner on the front of the package, and on the back they put a giant coupon and a map to our park. We tied in the Winchester Mystery House because they attract tourists. Actually, they wanted several attractions. Anyway, they printed over a million of these sacks at no cost to us. We brought in about 8,000 people, which is not a lot, but we brought in about 8,000 people over a six week period on weekends and just the beginning of summer.

MR. HUGHES: I think it's always important to hear about the good ones as well as the ones that fail so that you can avoid them. Here's one that has worked out with varied success. Gary Hays from Uncle Cliff's in Albuquerque, New Mexico. Gary.

MR. HAYS: One might say that the theme of this workshop is promotion for a successful profit. Well, we were involved in a promotion this last spring and summer that was somewhat profitable but hardly successful. Unfortunately, of the two other parks in our area involved in this promotion, one has barely gotten their money back and one has not seen his money or his promotion. The promoter of this promotion is Universal Registered Systems, with offices in Denver and Minneapolis. The promotion in our area was run through a large supermarket chain. The promotion itself involved random printing of coupons on the back of cash register tapes. The number of coupons printed was 45,000. The register tapes were then distributed by any number of six stores at a cost of \$150 per store. We chose all six stores at a total investment

of \$900. The six stores covered all areas of the city. The coupons were good for a dollar off the purchase of ten tickets, which sold for \$2.25. The coupons were invalid if torn and were distributed between April 1st and June 15th, with an expiration date of October 1st. We really have no way of knowing if all 45,000 coupons were printed or even distributed. At the beginning of the promotion we were kind of leery about this and we did check it out thoroughly with the supermarket chains and with several merchants involved. They showed to be worthwhile.

There was a certain amount of advertising done by the supermarket, but not as much as we had expected. By the end of the season, we had collected about 2,000 coupons. Although the promotion did not pay off substantially, we felt as though it did bring in a certain amount of new clientele from different parts of the city. We would advise anyone approached by this promoter to thoroughly check it out and beware. Thank you.

CHAIRMAN HUGHES: Thank you, Gary. Next we have a rather unusual promotion. This will entertain you as well as educate you. We'd like to call on Bob Munson from Trotter Brothers, Wichita, Kansas.

MR. MUNSON: I'd like to thank Carl Hughes for this opportunity to speak with you this afternoon. Trotter Brothers has been a member of your organization for three years, and I want to thank you for the opportunity to get to know you better, and also to take part in one of your workshops. I want to thank the people from Six Flags for helping us out, some very able young fellows that you'll see in costume character in just a few minutes.

I'd like to touch on creating a star. You are all very imaginative people or you wouldn't be in such a fantastic business. Dave Trotter and I have been connected with show business for about 27 years, the last four years with the amusement park industry, and it's been one of the most exciting times of our lives. Just the two of us started out and right now there's about eight people in our organization. You're going to see a character created right here on the screen by one of the finest designers out of Los Angeles. He's been with us for about a year and we've put this together in the last two weeks, and we hope you enjoy it.

What you're going to see now is a small model of styrofoam. Now clay by the pound. Start out at about ten pounds, build it to about twenty. It'll take about two minutes, and slowly will grow into about 300 pounds of modeling clay that all production companies use in creating costume characters that belong to you and your park. It's approximately 300 pounds of clay or styrofoam armature. Our chief designer is Bill Henderson. You'll see him in a moment. We didn't know what in the world we were going to call our character but we decided on Matilda. As you can see, she's rather large. This is only the head. The texture of modeling clay made of plastic is very difficult and time consuming. It took over ten days to do this with a lot of headaches. But Bill was persistent, and this process of clay finishes very shortly. We will go into the next step.

It is totally covered with a gelatin substance called over-casting. You can only make one original from this. Now comes the oil and then it is covered in five gallons of plastic wood. Then the gessoing. Matilda is totally covered in white gesso and acrylic paints. Now comes the eyes, a little fluid, confetti hair and dress. Ladies and gentlemen, I'd like for you to meet Matilda.

Matilda is one of the characters in our fantasyland characters that's going to be produced for one of your parks. Under \$850 worth of turkey feathers, you will find a full-blooded Cherokee Indian from Michigan. His name is Buddy Big Mountain.

I'd like to move on now to costume characters and how they serve your park. Creating a star is right at your fingertips. Take advantage of your costume characters and shows that you have now in your park or plan to have in the future. Remember that you really have the opportunity, just like Walt Disney did with Mickey. You could do the same thing through the media, through graphics throughout the park, the radio, and all electronic media. You can create and build a star right at your park. From New York to Los Angeles there are production companies busting with creative ideas just for the asking. Take advantage of them. Choose one of the companies that you have a rapport with, or get together with your advertising agency. Sit down and think about your location, what type of image you want to project, what type of market you're in, your area.

Now, just don't think only of the summer months. Think 12 months a year, and don't think costume characters. What we're talking about is a personality. We like to refer to him as a walk-ing, talking, come to life, living logo. He should be incorporated into every form of graphic display, from your letterheads right on up to your entrance to rides. Of course, on television commercials take advantage of him in every way. This past season the Trotter Brothers made Kenny Kangaroo of Kennywood Park more of a star.

In 1973, Carl Hughes and the Henningers were in Europe. They went to an amusement park in Madrid and saw a lovable, huggable bear. Carl came back all excited. Their first character was made of terry cloth, which I understand lasted for a while. They went to a professional costume designer and really put Kenny Kangaroo together. He did television commercials, was on graphic logos all over the park, and became a star.

A year or so ago there was a tragedy at Joyland. A young boy took a dare from another young boy and stood up on the very high part of the roller coaster and was thrown out. Unfortunately he died of his injuries. Anyway, at the same time, Stan Nelson had been working on a character. It was a little dog in black and white, with big floppy ears. We got in touch with Jack Shafton and had him build a character of this dog, which you'll see in a little bit. He walked in the park and everyone looked at him and called him Snoopy. Stan was upset.

So we lived with it for about a year, but it wasn't doing a thing for Joyland. The PTA was upset because they sponsored the night out when the boy was killed. We all were searching for some kind of a way to try to fix things up with the press. We called it Joey Dog. The police department called Trotter Brothers and said they wanted a safety program to deal with puppets. So we had a conference with the police department and the school system. Joey was going to be a safety instructor. Every school in Wichita has signed up for this free show. They all get a brochure. They will print it at no cost to the park. And Joey, along with a character like Matilda, will tour all the schools. Over 140,000 children will be taught safety at school, going to school and at Joyland.

We also have a promotion at Joyland in the spring with the safety patrols, sponsored by the Wichita Police Department. Along

with the safety brochure that we're going to give will be the rules and regulations, how to win prizes, and contests on safety. Not only will all the children know about Joey, but everybody that's got children in Wichita will know about Joey, have his identity, and we hope this will help heal those sorrowful days when we had that tragedy.

A VOICE: How much is it going to cost?

MR. MUNSON: Are you talking about the costume character? Well, Jack Shafton charged, I think, 2,600 or 2,700 dollars.

A VOICE: How much did you charge?

MR. MUNSON: I didn't make the costume character. Jack Shafton made it in Los Angeles.

CHAIRMAN HUGHES: Thank you very much, Bob. Now we'll go back to our list of speakers who have promotions from member parks, and next I'd like to call on a very successful Pennsylvania park. From Dutch Wonderland, Murl Clark.

MR. CLARK: I was very honored when Carl asked me to speak on working with sports and travel shows. I want to say that working the sports and travel shows is not as much fun as creating a star or jumping into a tub of Jello. It is an event that lasts anywhere from three to ten days. They're usually held in any of the major cities anywhere on the East Coast all the way out to and including Hawaii. Inside you'll find campers, RVs, boats, and hunting lodges advertising. You'll find states, counties and also individual attractions. There's a lot of variables involved for each and every one of you. Also, there's advantages and disadvantages.

Some of the advantages, in my opinion, are the amounts of people. They range anywhere from one to five hundred thousand people that you come in contact with. It's a captive audience. A lot of them pay to get in that door, and they're there deciding where and when they're going to take their vacation. You have a face-to-face two way sales approach, which naturally you don't have with a 30 second radio or TV spot. You can answer their questions. You can lay a brochure right in their hand. Another good thing is most of them are scheduled during the off season months for us, for seasonal parks.

A few of the disadvantages of them are that they're very expensive to enter. You have the cost of your booth, your space, staff, your brochures and staying in the motel for five or ten days. Another disadvantage is that you don't go home knowing how well you did. Unfortunately there's no contracts that are signed.

It's possible, depending on the show, to actually sell something at your booth to help offset the cost. It's also possible to have a nice display without spending large amounts of money. Look around in your park. Maybe there's something right in front of you that you can use. But when you design your booth, keep in mind shipment, or you're going to have to pay a carrier, or have it taken there on one of your trucks. If you have a contract with a TV personality, that TV personality can be at your booth.

It's good to have some measure of return later on, whether or not you should pay to go back to that show next year. Two ideas

are information request slips; or you can use discount coupons and have them marked for the show that you were at.

And last but not least, I wanted to mention mall shows. If you've never tried a travel show, a mall show can be a less risky experiment for you. There's not quite as many people maybe head count wise, but it will be an experience for you to see. Thank you.

CHAIRMAN HUGHES: If you can understand a park in eastern Pennsylvania promoting at travel shows as far away as Chicago, you can understand why Dutch Wonderland is so unique. Next we have something else unique, a husband and wife team. They have a couple of interesting promotions. Paul and Alethea Roads.

MR. ROADS: First of all, I think you all need to know that Wonderland is a very small park and we're a very small city. The small towns around us are at least 30 to 50 miles away. We have very few tourists. Therefore, we feel that we must do a lot of promoting. Our pay-one-price is a plan with our top rock radio station. They give us saturation advertising. In return for this, we give them a percentage of our take. Now, the customer does not have to pay-one-price. They can buy tickets or pay-one-price, whichever they like. We have found that we sell almost as many tickets on the pay-one-price night that we do on the nights that we do not have pay-one-price.

We've had this pay-one-price promotion for three years on Wednesday only. The fourth year we felt that the lines were getting too long so we decided to try it also on Friday. A lot of our Friday nights turned out to be even better than Saturdays and Sundays because we only had to open about four hours on these weeknights. Last year we decided to try it on Mondays, Wednesdays and Fridays. Mondays started out very slow and stayed that way most of the season. Finally we decided to try calling Monday night family night. We would stamp one mother or father free with each child stamped. This turned out to be even better than we expected. In two weeks our hand stamps had doubled, and, of course, so did the food stands and the games. The most important thing we feel is that it gets the mothers and the fathers there.

This one has lasted for nine years, so we feel like it has been a rather good success. I know of three other parks that have tried this promotion since I have. We started this promotion at \$1.99. We have gradually raised the price a little bit each year, 'til now we're charging \$5.00. Frankly, I think \$5.00 is a little strong for our size park, but we're getting away with it and not having any complaints. Therefore, I think we'll keep going for \$5.00 next year. Thank you.

MS. ROADS: As Paul said, Amarillo is a small city, and we have to promote very hard. Our PTA fun nights are one of the best ways we have found to bring in people. We would be closed weeknights in April and May if it were not for this promotion.

It all began in 1952 when we opened our park for our first full season with six small rides. Our children were in a new school, and it needed everything from grass on the playground to an intercom system. I thought we might help them a little, and suggested they have a night at the park. The mothers sold tickets before and after school in the hallway. The art department made posters. Everyone talked about the big event, and it was a huge

success. The ladies sold pies, cakes, sandwiches and so forth. We even had some home-made games run by the fathers. It really involved the parents and the teachers. Everyone got acquainted and had a wonderful time. Also, we made a huge sum of money. They wanted to do it again the next year and the next.

The following spring we had all our Fridays in May full of PTA fun nights. Now we have 46 schools, with every weeknight from mid-April through May filled. We have never approached a school. They hear about it and come to us. We now have several schools from the small towns near us. We run three or four small schools together on a night. Many nights we have two schools, but we keep our larger schools to themselves.

We urge the PTAs to promote a picnic in the park to sell food if they want to, to try to involve the parents anyway they can. The mothers usually sell the tickets for a week at the school and run a promotion a week before with art department posters, announcements and letters to be taken home by the children. Some schools have contests between the rooms to see which room buys the most tickets. We leave it to them to do their own promotion. Some schools will sell over \$2,000 in tickets before they come out. A few sell over \$3,000. Some sell hot dogs, cakes and so forth in a park area before they come up to ride. Even so, our food stands stay busy those nights. Our skee ball games and arcades do very well in April and May.

In January we send letters to the PTAs giving the dates of the fun night, the price of the tickets, the school they will go with. The tickets the PTA sell are cheaper than our regular tickets at the park. Last year they sold ten tickets for \$2.00, where we sold them for \$2.50 in the park. This gives the PTA a good selling point. These school tickets are dated. They can be used from their school sale through the first weekend in June. This June weekend is a big one, because they all want to use their leftover tickets before they become outdated. We make these tickets good this long so they have no complaints about bad weather and so forth keeping them from using them. Also, families buy more tickets than they would for one evening, and it gets them out on weekends when they spend more money.

The PTAs get 40 per cent of their sale, and 40 per cent of our ticket sale at the park on their night, except for our spectacular ride tickets, which we hold out. Last year we gave the school 12 per cent of our income for the month. That sounds like a lot of money. But we made some good friends. We have put grass on many school playgrounds and paid for many extras for the school. Every child in Amarillo and several towns around come to the park in the spring at least once. We hope it makes them want to come back in the summer. The PTAs love this money making promotion. This is the easiest thing they do. Also, it makes a wonderful family night at the close of school.

A friend of ours wanted to get PTA parties started. He made arrangements to talk to the PTA, city council, and has had several parties, with plans for others to come. We added four schools this year--two parochial in town and two out of town. May is our biggest month.

CHAIRMAN HUGHES: With another unusual promotion is a park in Eastern Pennsylvania. Bill Evans from West Point Park. I might mention that Bill was chairman of the Picnic Workshop this morn-

ing and mentioned that over 95 per cent of his business is from picnics.

MR. EVANS: Gypsy Rose Lee said it perhaps 35 years ago, "You got to have a gimmick." That's been our motto and our creed for the past 25 years that we've been in West Point. As Carl mentioned, we're a small park, about 25 miles north of central Philadelphia. We have 22 rides. There are 28 picnic areas, each with its own pavilion shelter unit, approximately 20 midway games, souvenir stands, half a dozen midway food stands, extensive catering facilities and about 35 acres of ground. Over 95 per cent of our business is group business. We didn't necessarily plan it that way. Through the years we tried different promotions and realized in the rather recent past the best thing we did was group business. Now we shout it loud and clear.

For instance, we don't spend a nickel on newspaper or TV ads or radio or anything like that. We do a great deal of direct mail and contacting. We only operate about 60 to 70 days a season, and if we're not booked, we don't open. And we rarely, if ever, operate in the red on this kind of a format. We do accommodate some of metropolitan Philadelphia's largest industrial and union picnics, and many of them bring a few thousand people. We enjoy a tremendous repeat business. As an example, one of our premier industries presented us with a plaque last year commemorating the 23rd consecutive year of serving them.

Again, we consider ourselves a traditional picnic park, and through the years we've seen other parks come and go. Theme parks now often three and four states away are advertising extensively on our local TV station and in our small town newspaper, competing for the same amusement dollar. It became a matter of survival for us to be able to identify and lay claim to our own particular piece of the competitive pie. Since we lacked the capital and the grandeur of the big park and, more recently, the super park, we realized that we had to be different. We had to be more innovative than most. We had to decide what we were able to do best and then concentrate all our energies and develop our facilities towards this end.

About 21 years ago, and initially on a partial basis, we introduced a pay-one-price policy regarding admissions. After about three or four years of experimentation, we became one of the first amusement parks in the East to convert totally and completely to a pay-one-price policy. Through the years this was our gimmick, and it served us well. But as more and more parks converted to pay-one-price, we realized we were no longer unique. We had to start to look for another gimmick. Fortunately about eight or ten years ago, we identified the trend and began working on a companion project. We called it unlimited buffet. In a nutshell it is this: for a reasonable price--quote, pay-one-price, we found we could offer to any size group, from 50 to 6,000 people, an unlimited buffet, all you can eat, come back as often as you like for five and a half hours, from 12:30 p.m. to 6:00 p.m. Through the years, with experimentation, we've refined the menu, and currently it consists of hot dogs, beef barbecue sandwiches, corn on the cob, potato salad and cole slaw, pickled beets, assorted olives and pickles and hot coffee. We have developed the appropriate supportive serving facilities, the logistics and supply techniques, as well as the necessary controls. Not only is our unlimited buffet extremely profitable for us, but it is also extremely pleasing to our customer. In fact, the usual response

we get from our picnic committees is, "How can you do it and make out?"

With this experience, a couple of years ago we started putting together a second phase. We called it our unlimited beverage program. And once again, for a nominal price per person--and we're back to our pay-one-price again--we will offer to any size group unlimited beverage service for eight hours, from 11:00 a.m. to 7:00 p.m., and that includes all the beer you can drink, and we retain the right to institute any necessary social controls. All the soda you can drink, bartender service, all the ice and all the cups. Again, the same result was it was extremely profitable to us, extremely pleasing to our customer. Now, up to this point, although our pay-one-price for admissions was mandatory, it had not been compulsory for our groups to participate in our unlimited buffet or the unlimited beverage program. Nevertheless, a gratifyingly large percentage of our groups did partake voluntarily in all programs. This past season we set aside several operating days when only those groups choosing to partake in the entire pay-one-price program could use the park. We established a combination price for all three, developed an appropriate piece of literature, billed it as a get acquainted special and mailed it to our rather extensive mailing list. We were extremely pleased with the results. All who participated in 1978 have already signed up for 1979. Besides, we have had an unduly large amount of out of season inquiries since that time throughout this past fall and late summer. Those that had gotten the literature but had either already been committed to some other program, wanted to be included for it next year. Again, we do a lot of mailing, and we considered it a real prime good indication as far as results for a one timer.

We look at this program perhaps as the ultimate in POP, pay-one-price. We can visualize that perhaps maybe three, five years down the road, everyone coming through our gates at West Point Park for one admission fee will be getting not only the customary physical facilities as far as admission price, but also all the food and all the beverage you can handle. Incidentally, we do not ever include our midway food, the general run of cotton candy, snow cones, waffles and things along that line. Those are always an addition, of course, on a cash basis on the midway.

As I said in the beginning, to stay alive I believe you've got to have a gimmick. For those of us, the smaller parks, that can't afford the new five million dollar outlay for a super loop coaster or whatever new craze is currently on the market, it is possible to lay claim to your piece of pie, providing you have the imagination for innovation and you can identify just what it is you can do best. Thank you.

CHAIRMAN HUGHES: I told you we'd have some unusual speakers and unusual subjects. We still have more to come.

A VOICE: Carl, what price does Mr. Evans get for that package?

CHAIRMAN HUGHES: Bill, do you want to answer that question?

MR. EVANS: I can't give you an exact answer. I'm not hedging, primarily because it's on a sliding scale; the larger the group, the cheaper the price. If you're interested, when we shut down here, I'll give you our rate scales.

CHAIRMAN HUGHES: The next person coming up is Ron Adams from Geauga Lake. He is going to tell you about root beer floats.

MR. ADAMS: We were fortunate at Geauga Lake Park this year to have the world's largest root beer float, concocted and sponsored by WKNT radio and Dad's Root Beer in our market area. They used a total of 250 gallons of Dad's Root Beer and 42 gallons of ice cream, donated by Wasson's Milk Company, a local convenience food store. After it was concocted on Sunday, May 28th, we distributed about 7,000 cups to the various patrons in the park.

It goes a little deeper in that you may ask how do you turn a root beer float into a profit, especially when you hand out 7,000 free sample cups. We had various ticket distribution through WKNT radio and Dad's Root Beer. The total redemption of tickets and coupons for the two day period was 21,000 tickets and coupons. We asked ourselves was this attributable to the root beer float or to our two million dollar expansion program? Was it the \$2.55 discount over regular price of 6.50 or was it the weather? Was it our own advertising, or was it the special advertising by WKNT radio and Dad's Root Beer?

Now, I'd like to go into the distribution of tickets for a second, because we had tickets distributed through every Dad's Root Beer outlet. Everybody that handled Dad's Root Beer handed out these discount tickets for May 27th and May 28th. WKNT radio handed out tickets at all their broadcasts during the month of May. We had a local drug chain, Revco Drugs distributing tickets. We had coupons in the newspaper paid for by Dad's Root Beer. Tickets were distributed to the schools in a two county area. The school with the highest redemption rate over the two day period won a disco dance at their local high school this fall, donated by WKNT radio.

We felt it was all these things that made this promotion so successful. For the two day period, our gross park sales increased 84 per cent. Thank you.

CHAIRMAN HUGHES: An 84 per cent increase is pretty sweet. Bill Alter from National Ticket.

MR. ALTER: I've got a few coupons here that look valuable. I'm talking about our free coupons that are going to be used for cents off or to draw people to a particular park or location. No matter what design the ticket has if it's not in the proper hands it's never going to work.

We will be talking primarily about the design, the final appearance of a particular discount ticket. I think that when you are competing with other discount tickets or other brochures there certainly is a tendency of a patron to pick up something that looks valuable. Just go through the newspapers and you will see that almost every cents off type promotion actually looks like a coupon. So this is what my thought is; that when we design a discount coupon, we design it at no real additional cost, but take some particular thought to it. Put a border around a particular thing and make it look like something, so if someone is going to look at it, they're obviously going to pick it up and read and see what it is. If it has a value, make sure they think it has a value before they even read the particular ticket.

If you're going to have discount coupons distributed through

motels or different areas such as traffic stops along the highway you're going to have possibly hundreds of different people competing for the same thing.

I think that the most important thing in the design of a particular discount coupon is a border. Many people print a ticket and call it a ticket, but it looks like a piece of paper. What we're saying is we want to put a border around it and make it look like a ticket. Secondly, if at all possible, put a number on it. Numbering a ticket draws people to it. It does look like it has a particular value. There's a reason for the particular number. Whether it means anything to you at all, it certainly can mean something in your possible distribution as to the number of tickets going out to people. Another thing is paper stock; and the quality of the stock, whether it's going to be card stock or whether it's going to be a paper stock itself. Another thing is the color. Everyone has white, and there's nothing wrong with white, but I guarantee you that someone will certainly pick up and notice something that's going to be in a color stock rather than white stock.

Another item that does not come under the design, but the thing which you can design down to professional printing and such, is the packaging of discount tickets and how they're going to be handled once they're packaged. The packaging of discount tickets is important, in that you can make it as easy as possible for the person who's going to do their job. If it's going to be a bag stuffer in a supermarket or a discount ticket's going to be given out in fast food stores, if they're packaged properly and easy enough for them to handle, most probably they're going to get into the hands we expect them to get into.

CHAIRMAN HUGHES: From Dorney Park, Mike Crowther.

MR. CROWTHER: Dorney Park is a medium size amusement park in Pennsylvania, about 60 miles north of Philadelphia. We have about 900,000 guests a year and a free gate. Two objectives that I wanted to take care of when we approached the beginning of this summer were to increase park attendance on a weekday evening, and to enhance Dorney Park's reputation as an up-to-date fun spot. It seemed that a possibility was to promote an attraction. The least costly type of attraction seemed to be a show, and the least costly type of show seemed to indicate an amateur production. The Gong Show is a fascinating phenomenon. It seems to be dying out now, but for a while it was incredible. I heard that the Gong Show people had put together a road show so I called to find out some details. What I did find out was they wanted \$7,000 for one day. They would provide a relative unknown emcee by the name of Richard Clark and a set. They would provide a check for \$113, and a trophy, and that's it. The individual park would have to be responsible for recruiting the judges, who they suggested be local celebrities, and the talent would be just local talent found in the area.

I decided we could do better than that. I still liked the format, so I decided to analyze their format, see what I could adapt to our operation. I came up with an emcee, who was capable of developing an excellent rapport with the audience. Three local celebrity judges were responsible for evaluating the acts. Either they would observe the act until its conclusion and score it on a scale of one to ten, or reject the act before its conclusion. It was a very simple format, but it still lacked spark. We needed a

gimmick. I asked a friend of mine, a promotions director of a local shopping mall, to come up with some kind of title. She said, "How about 'Take the Plunge'?" After all, that's what they are doing. They're taking the plunge and getting into the show." It conjured ideas of plungers, plumbers' helpers, toilets and drains. I thought the idea of the sound of a drain unclogging or a toilet flushing would be an incredible sound to get people worked up over. I also like the idea of a failing act being symbolically flushed down the drain. So we decided to take the name "Take the Plunge" and to theme the whole show around a plumber's friend, a plunger. We also decided that we would have trophies in the form of a golden plunger on a plaque.

The emcee we chose was a radio station D.J. He had a friend who was a local metallurgist, and also an amateur comic. We dubbed him the producer of "Take the Plunge," as sort of a fool to the emcee's straight man. For our first show, we used three ex-mayors as judges. We also used D.J.s, reporters from newspapers, bartenders, et cetera.

The winner of the finals to be held at the end of the season would receive \$500 cash. The second place prize winner would receive \$1.63, and the third place prize winner would receive \$4.95. All participants would receive a book of complimentary tickets and a certificate saying that they were a trouper and first class fun person all around.

The key to the whole thing was the plunger. We built a huge plunger. It was on some incredible spring device and covered in sequins. It was red, blue, and gold. The way it operated was when one of the judges wished to reject an act, he walked over to the plunger, pulled on a string, the whole thing went into this wild plunging motion, and the sound of a toilet flushing sounded over the P.A. system of the theatre.

The way we promoted the show was to first send out releases to high school, college and area newspapers. I had an 80 per cent pickup rate on that, and I sent out somewhere around 30 releases. The releases announced the show, but they also solicited participants, which was one of the key things. We also produced posters doing the same thing, and 8 1/2 by 11 fliers, which we distributed in our parking lots. We announced the show in our regular newspaper ads, and then we had three early separate newspaper ads in the local newspaper only announcing the show. We had a two-week radio run on spots for "Take the Plunge."

(Tape played.)

MR. CROWTHER: From the ads, you can see the type of idea we wanted to get. We wanted the show to be fun for the contestants, the judges and the audience. I would say that the number of audition requests tripled after those ads. The total cost that we spent on advertising "Take the Plunge" was less than \$1,000.

Results: we had an average attendance at each show of around 700 people. We also had a group of regulars, around 250 people that showed up every week. It was kind of nice to know that you could count on 250 people every week just to come out and spend money in the park after the show.

I'd like to give you some tips if you'd like to run a show like this, because I learned the hard way. It was partially suc-

cessful. It could be more successful if I had some of these ideas beforehand. First of all, spend more than \$1,000 on advertising, especially for recruiting acts. Secondly, limit your acts to two and a half to three minutes. Keep about a 50-50 ratio of straight acts to weird acts. People come to see the weird stuff. If an act wishes to provide his or her own background music, make sure it is on a cassette tape, and make sure it's precued.

Schedule your acts that have a lot of equipment at either the beginning or the end of the show. That means that you'll have less dead time because you don't have to worry about setting it up.

Make sure that your emcee is a top-notch improviser. Instruct your judges not to be too nice. If you spare the plunger, you spoil the show. Don't allow ties to remain ties. You've got to break the ties cleanly and break the ties in front of the audience. A coin toss won't work, because people can't see what's happening. I suggest that you get some kind of a large spinner or something. Spin the spinner, and then it quickly will define who is the winner and who is not.

Make sure that you have all of your acts sign a sheet indicating that they're aware that the decisions of the judges are final and that the act can in no way be construed as offensive or obscene.

The final suggestion I can make is buy an economy size bottle of aspirin and a season supply of Roloids, because really you're going to need it.

CHAIRMAN HUGHES: Thank you. We have another young man, Milt Hamel, from Shreveport, Louisiana to talk about some promotions he's done.

MR. HAMEL: What I am going to talk about is big promotions for small parks. We are a small park, and basically what we're trying to do is to come up with an entertainment package that our park can afford. Right now we're doing six big promotions and we plan on adding on to those every year.

I want to go over three of the promotions that we're using right now.

We got this idea from Joyland. A new radio station in our area wanted to build up a promotion that was going to be their biggest of the year. First, they furnished a name entertainment package. They had two stages with continual entertainment the whole day. They also had amateur talent. There were door prizes. They gave away a brand new pickup truck with \$11,000 in the glove compartment. They gave away free vacations. And to get people there early, they gave away free hot dogs to the first thousand people. During different times of the day there was free watermelon. The key to the whole thing was saturation advertising. Out of these six promotions, four of them happen to be with radio stations, because they're able to give so much free publicity. In this particular case, they started twelve spots a day for a month. The following month promoting they gave us 24 spots a day for a month. The next two week they gave us 48 spots a day for those two weeks, and then the day of the contest they gave us an all day remote.

This promotion paid off for us in several ways. First, we sold them \$15,000 worth of our tickets at a discount, about a third of a normal price. They gave more to their advertisers and retail stores. They had big posters in their stores, and when people came in and asked for tickets, they would give them a strip of these tickets. When the people came out, they would quickly use up their tickets, and buy our tickets at full price. In this particular case, we had a traffic back-up of miles on a large artery that runs by our park. We had to open up a 28 acre cow pasture for the cars. There were people that took off of work and drove four or five hundred miles to get to our park.

Let me say that it doesn't make a whole lot of difference who you promote with. If they want to put together a package, either they have the means for saturation advertising that they can give you, or they can get it. A lot of groups can give it just as well as the radio stations can give it.

Another promotion we had was with the Chamber of Commerce. They wanted to do something that would help them with their membership drive. They put together a package for adults and for children. For children they had face painting, bubble gum blowing contests, clowns blowing up balloon animals and giving them to the children, country and western bands on one stage and rock bands on another. They had free food and ten cent beer. First they sent newsletters to all the chamber members and followed up with two direct letters. It was the most successful promotion that the chamber had ever done, and it gave us a considerably larger attendance than we had ever had before. The payoff was that right after this we booked a \$5,000 picnic, a \$10,000 picnic, and we're negotiating now for a \$50,000 picnic.

One of the other promotions that we did was Holiday in Dixie. We tried to put together a lot of different happenings for ten days. We got faydododo, and for those of you who don't know what that is, it's a south Louisiana street dance. Basically the theme of it originated around south Louisiana, the Cajun type flavor. We had crawfish eating, crawfish races, pirogue races, horseshoe pitching, and this year we included a Jello Jump. I went to one of the largest radio stations and they agreed to promote it. They paid for the pick-up truck and half the Jello. I made the Jello, and it was a winner. In this particular case, with the Holiday in Dixie, we had tremendous news coverage before it got started. There was television coverage of people warming up for the crawfish eating contest, and for this and for that. The Jello Jump got tremendous news coverage.

I don't think that there's anything we can do to get the advertising paid but I don't think we can afford not to look into it. Thank you.

CHAIRMAN HUGHES: Our last speaker before we finish is Will Fregeau from Whalom Park, Massachusetts.

MR. FREGEAU: My promotion is anniversary day with old-time prices. This year we threw a tremendous anniversary party and no one came. Actually, the fact is that we picked the hottest day of the year to promote this anniversary celebration, and it did hold the numbers that would have come normally. It was one of those hazy, lazy days of summer when the temperature hovered around the 100 degree mark, and absolutely no breeze.

We have held this promotion for the last 11 years at our park, and it has been extremely successful. It is promoted in the following manner. First of all, we give it a good amount of media coverage and second, we have our food people give us the lowest possible prices on special items that can be sold at old-time prices, such as Cokes and hot dogs. When we started this promotion we advertised Cokes for a nickel and hot dogs for a dime, but with today's economy it's no longer feasible to keep these prices for a promotion because of the large volume consumed. For the last couple of years we've sold our hot dogs for a quarter and Cokes for a dime. We give away unlimited free popcorn for an hour in the afternoon and another hour in the evening. We prepare and give away approximately 500 pieces of birthday cake, distributed by our park characters, Supercheck, Simon Loony Bear and Silly Savage. This year we kept the kiddy rides at a dime but raised the price of the major rides to a quarter, which are normally 60 and 90 cents respectively. Most years we have used an act on the stage as a free attraction, but in all cases we always wind up the day with a tremendous display of fireworks.

In summing up, I would like to recommend this to any small facility who would like an extra promotional day and one that seems to be a winner. There are also many spinoff benefits. The more crowds you bring in, the better your games, novelty stands, food stands do. Another thing we tried was to have all the employees dress up in a manner that suggested old-fashioned days, and gave prizes away to the most authentic costume. Now, you can play all kinds of days with this promotion, but it's certainly a change of pace for the employees, as well as for the patrons. Thank you.

CHAIRMAN HUGES: Our last speaker is Bill Robinson from Americana Amusement Park, Middletown, Ohio.

MR. ROBINSON: I'm going to talk about promoting your park with entertainment outside the park. Americana has ten costume characters and they're everything you'd expect them to be.

For Americana's promotional benefit, they're used in many ways outside the park. During the winter, they have accompanied our promotional staff and exhibits to vacation and travel shows. They take part in parades from St. Patrick's Day to Christmas.

I want to talk about sports travel shows for a minute. Some of the biggest picnics that I have booked at our park have been booked through a contact that we made at a sports and travel show. We take our sales force people, who know the park and can talk and represent it in every way possible. The characters are there to attract the children to the booth. They pose for pictures with visiting celebrities, such as Miss America, who visited our park. Their pictures appear on travel magazines, billboards, buses, bread wrappers and discount coupons. They appear on children's TV shows and are always available for pictures when a host visits our park. They're used on souvenir items to entice our patrons to take them home. All in all, Americana's crazy fun critters have more than paid for the park's initial investment three years ago, if nothing else in free newspaper and magazine space.

Following a snow storm, what city can resist seeing a photo of a crazy critter up to his knees in 15 inches of snow, or playing the part to announce the park's spring opening.

Roving bands are popular in Americana and are put to good promotional use outside the park. Americana's roving bands do just that, they rove, and not just inside the park grounds. Country music is growing by leaps and bounds all over the world, and it is helping to promote Americana. Even though a country music show is not as mobile as a roving band, consideration should be given to shows outside your park for promotional benefits. Community festivals, fairs, and TV and radio appearances are just a few good outside promotions that are naturals for your country music groups. Americana even produces its own country music show broadcast over a local radio station every Saturday and Sunday. No matter how small the station is, if the music is good, someone out there will listen.

In 1978, Americana, in cooperation with the Coca-Cola bottler in our area opened its first major international circus, featuring acts from around the world. The crowds not only came to the circus; but we took the circus to the crowds through the TV news media, TV talk shows, newspaper releases and special promotional appearances outside the park by our elephants and clowns.

Special entertainment should never be overlooked for its promotion benefit. Most of the time, costly acts pay off. One such act that appeared in Americana in 1978 was the Great Wallendas, led by Reata Wallenda, granddaughter of the late Carl Wallenda. TV talk show hosts and newsmen, radio DJs and every newspaper within a hundred miles were all eager to interview the troupe, but this might not have been if Americana's public relations or promotion department had not done their legwork. I want to give you some facts and figures on this one group as far as free print and media that we received from this one act. We received in print, 400 column inches, equal to a cost of \$4,819.00. The Associated Press also ran a feature article nationally, which we could not pick up on our Ohio clipping service. On the radio we got one hour and seven minutes of free time on the air. If purchased in 60-second spots at an average cost of \$50 per spot it is equal to \$3,350.00 of radio time. On TV we received one hour and fifteen minutes of free advertisement which equals 150 thirty-second spots at an average cost of \$200 each, or \$30,000. So for the publicity and promotion of this one act, Americana received \$38,169 in free media coverage.

When talking about promoting special shows at Americana, I have to conclude with our antique auto show, our custom van show, and our street ride show. By using the proper contacts, pictures and stories, our street ride show alone has gotten Americana national coverage in Rod Action, Street Scene and Rod Action Yearbook Magazine. Probably the most reliable and most successful entertainment program ever held in Americana in terms of publicity and promotional value started in 1962 and has continued through 1978. It is our Friday night rock and roll, led by such stars as Chuck Berry and Rick Salsito, the great Elvis impersonator. It has never failed to make the entertainment pages, and many times even after the performance.

TV talk show and radio DJ phone-ins have also been popular. You might even run a contest with a radio station offering the winner a dinner date with the star and a free front row seat. They're all free and a great way to promote your entertainment and stretch your advertising budget. The use of live entertainment has snowballed over the last ten years in most parks, and has given us an excellent means for outside promotion. It should be given

equal exposure to your rides and other attractions, not only for its great publicity and promotional value, but also for its advertising value. Do not limit that advertising to just printed material, like brochures and printed ads, but through radio and TV, also.

CHAIRMAN HUGHES: Everyone's been very patient. We thank you for coming, and the speakers are up here if you want to come see them and ask questions. Thanks very much.

... The workshop concluded at 5:30 p.m. ...

THEMED ATTRACTIONS WORKSHOP

WEDNESDAY, NOVEMBER 15, 1978

FAYETTE, NEWTON, ROCKDALE & FORSYTHE ROOMS

The Themed Attractions Workshop convened at 3:30 p.m., Dan Howells, Six Flags Over Texas, Arlington, TX, presiding.

CHAIRMAN HOWELLS: I am Dan Howells from Six Flags Over Texas. Our subject today is Inter-Departmental Cooperation in a Big Park, or, actually, in any park. And it is subtitled the Necessity of a Team Effort. I'd like to introduce the members of our panel-- Tony Hobson of Tony Hobson and Associates; Frank Dillon, director of maintenance at Astroworld in Houston, Texas; Dennis Spiegel, general manager of Kings Dominion in Virginia; J. G. Glasnapp, general manager of Adventureland in Des Moines, Iowa; and Bruce Neal, public relations manager at Six Flags Over Texas. Without any further delay then, we'll start.

MR. GLASNAPP: Thanks, Dan. I'm going to cover the relationship between marketing and other departments. I was a marketing director for Adventureland, came up through the marketing department, and I'm now general manager there. The way I look at it is as a theme park we are basically a fun factory. We sell a product. The marketing department goes out and sells. It's up to the other departments to make some kind of delivery. If I tell them my objectives and I don't make it, I'm sure going to hear about it. The other way, if I tell them my objectives and I do make it, I'll have to share the success. There is no way you can get it done without involving the other departments. You have seen on billboards, used by clothing people, you never get a second chance to make a first impression. That's the feeling in our park. You have to let the other departments know your objectives. I think in developing objectives, you should take a good hard look at the other departments. Are they ready to go along with you? We also talk about attracting the youth market. Do you have rides in your park, that when a youth comes to your park, he can leave a satisfied customer? Is your food service ready? Do you have items that are attractive to your youth market? There's no way the marketing department can go off by itself and set an objective. The one example that I like to use when I talk about this is how we involved all the operating departments in one of our objectives in 1978 when our park opened our new coaster. We built a wood coaster this year that we opened July 1, about 60 days late due to bad weather and some other problems. The decision was made in early 1977 to build the coaster. We didn't have a ride that was attracting a certain segment of the market that we wanted. We also wanted to become a little bit bigger on the block. So we set out to develop our market objective. One of the first things was

to develop a name. We chose the president's suggestion. He chose the name of Tornado. We felt that this was a name that struck through the heart of Midwesterners.

The first thing we did, and I recommend this, was to develop a fact sheet. If you've got a market objective, lay it out in print for the other departments. It gives them a chance to feel a part of something. There's no worse feeling than being left out. The next thing we did was with our retail department. This was the way we backed things up. We bought items with the name "Tornado" on it; T-shirts, ashtrays, pencils. This year we bought items that tell a story about the tornado. We involved our food department in a marketing campaign. We wanted a different item in our park that would give some idea of the bigness of the ride. We came up with a Tornado Burger. It was the biggest hamburger we served in the park. It was extremely successful and also backed up the name. Another way that we tried to involve the marketing campaign was through our personnel department. I think many times we overlook our youth as a sales force. We employ about 900 people in the summer with a little bit of turnover. But these people are salespeople for you. This spring when our young people came to apply, the people who were picked, along with the people who weren't picked, all received a fact sheet about the Tornado. We felt that this was the way to get communications out through the personnel department. Also, we had everyone of our young people wearing a button during the course of the summer called "The Tornado is Coming."

Communications with our young people is done through our team concept. We have teams throughout our park according to food and they are broken up into teams. We meet with our team people weekly along with the department heads. At this time we review our objectives for the week. We review the past week and give them a concept of being a part of the team. There's no way we can get the communications out without this team concept. It's worked very well for us. Our team managers handle approximately 15 to 30 people. Our team captains below that handle 15 people. We work with directly involving them in with our marketing campaign. And we think we did a tremendous job with them in marketing our Tornado. At the same time our marketing department reviews special events with the teams for communication. We also developed a campaign for youth to be involved with pride of the ride.

Another thing that we want to cover is special events. The best way, once again, is with our team effort when running a coupon or special event type promotion. We have a system going now that is very simple. Every day we publish a visitors' sheet that shows the coupons that are going to be used that day by every cashier and then is posted. This has worked well.

Overall, there's just no way one department can work without the other.

MR. DILLON: Before I begin talking about relationships, I'll back up for a second and just sort of define maintenance and establish the maintenance objective in a big park operation. Maintenance is to maintain, develop and improve all rides, equipment, buildings, structures, facilities, while supporting all the operating departments because of this objective. Because of the size of the department, in almost every big park, the maintenance department makes up approximately 50 percent or more of the total program, itself, and spends a very large percentage of the total operating

dollars. This makes the relationship between maintenance and other departments very critical. In order to establish the relationship, you need a well constructed organization that will create understanding and set up good lines for communication. The key areas here are basically the organization, understanding and communication. Normally, if you have a breakdown in any one of these areas, your relationship with any other departments is going to suffer. To insure it, you need to (1) create a maintenance staff that understands the operating department's objectives, so that in turn they basically understand what the responsibilities are of the other departments; (2) to insure maintenance staff understanding of the physical and logistical requirements to maintain the rides, shows, attractions, food and gift outlets, et cetera. Next you need to create understanding on the part of the other departments as to the capabilities and limitations of the maintenance department. You also need to create understanding on the part of the other departments of the specific areas of responsibilities of the maintenance employees.

Lastly, you need to establish a line of communication to insure timely reporting and execution of all maintenance activities within those departments. Usually on a daily basis you can find somebody who wants to communicate a problem to you. You can turn that around and make it work for you by accumulating the problems in the other departments that you can put together and determine the needs and wants of all those departments to establish a good solid maintenance program. At the same time, establish what your needs are going to be for your capital improvements program. It really has to be a team effort. It requires a lot of input from the other departments as far as your improvements, your expansions, your growth needs. Since it is imperative that the maintenance staff be involved in the planning and development of all facilities that require maintenance support from the operating departments, you can assure those facilities will have the proper layouts, proper utility requirements, basically to come up with a highly functional and operational facility.

In short, to have a greater working relationship with all the operating departments, you must have a good understanding that will promote good communications and ultimately develop a much stronger organization. Thank you.

MR. SPEIGEL: Dan asked me to talk about five things today. They are communication in departments, between departments, communications between the contractors and the lessee that works in the parks, communications and bridging the gap between the seasonal employees and the management, prompt communications during peak attendance periods and putting it on paper without creating a paper mill.

Taft is a rather large organization. I am sure most of you know that. We have four theme parks. We have a fifth that we just approved. I think we all know what communication is and does and does not do. And I know that you are like me. You are bombarded with seminars and conferences to stress the importance or unimportance of certain types of communication. I think communication in the theme park industry, whether it is good or bad, affects the bottom line, your performance, and I think everybody out there understands what that means. It's the interchange of ideas and information, thoughts and opinions. How we communicate ultimately affects your home office, if you have one, and your bottom line.

I'm going to tell you today how Kings Dominion communicates several ways. Sign language, it's thumbs up or thumbs down, whatever the case may be. You see somebody walking across the park and it's body language, it's telephones, staff meetings and a four letter word, M-E-M-O. I think the important thing to remember in communication within an organization is that there's always a transmitter and a receiver. You may be transmitting but the other guy may not be receiving. I'd like to explain the lines of communication we have in our company.

Taft has three groups. We have the west coast group which is responsible for Hanna Barbera and our movie arm; we have the broadcast group which handles all the radio and television stations and this amusement park group.

At Kings Dominion we have the vice president and general manager, then five areas which I call the planning committee. They work very closely with me. We have our finance and our personnel and our marketing, our director of operations, and project superintendent. Then we have the various arms reporting up to them. I work with these five individuals very closely and it saves a lot of time because I don't have to meet on an individual basis and hold up a lot of decisions that have to be made. They can work with the five people above. And we can expedite matters greatly. We think it is a very functional chart. It changes constantly. We have found this to be the best for the period that we are going through. We have regularly scheduled meetings for department heads, supervisory personnel, and line personnel in season. Another area that is very critical, is our monthly meeting for our secretaries. We have about 13, 14 secretaries at Kings Dominion. It is important that they are communicating with one another. So we set a meeting up for them. These meetings are scheduled at particular times and on particular days, so management personnel can plan days off. All and all, these meetings tend to slow down the paperwork and increase the understanding with an exchange of ideas. Let me give you a short list of some of our standing meetings.

First of all, we have a weekly staff operations meeting with all directors and department heads. During the season, we have a communications meeting with all of our line supervisors and our fulltime supervisors. We have a construction meeting once a week. We spend normally three or four million dollars a year. It's just important that construction people are communicating, not only to management but to one another, so that the projects can open on time. We have a weekly safety meeting. Another meeting that we started about five years ago is an energy meeting that meets once a month, and out of this meeting has evolved an entire energy conservation program for the Taft Broadcasting Company. Ideas out of that meeting saved Kings Dominion about three hundred thousand dollars in the last four or five years. I think that bridging the gap between the seasonal employees and management is important. It can be a problem. How you go about it determines the severity of the problem. We have made great strides in this area by utilization of several communication tools.

Here are a few of them, our Yogi-gram, our seasonal yearbook we call the Hot Dog, our bulletin board posters and intercommunication papers. We also have general park orientation which they all go through. We have a department orientation program which is very important to the individual departments, a season employee handbook, and a looseleaf handbook. We also do the bulletin boards.

And to communicate, we have summer parties. We feel this is one type of communication with employees; and at Christmas time, we have them come back in and have a rehaul party. We have a suggestion program that they participate in and are rewarded for. We have training seminars. We feel this is very important for concentrating on communication and leadership styles and teamwork. This is for our seasonal supervisors. And we do performance evaluations on all of our seasonal employees. This is done several times throughout the year. It's looked forward to by the seasonal employees. They want to know how their performance is. We have a personnel coordinator that works very closely with the employees. If they have a problem, they have somebody to turn to.

It's hard to imagine a major theme park without radio communications, because when an emergency occurs in our park, there are certain policies and procedures that have to be implemented immediately. All personnel and particularly our OD's, which are our officers of the day, are trained and instructed in emergency procedures. When an emergency occurs, we are not fumbling for what to do in an emergency situation. They know what to do. Periodically, throughout the season, the OD's are brought in, and we just kind of update and ask each other questions, what do you do in this situation; what do you do in that situation? Our communications center is the hub of the wheel during our operations season. When I look at the bills for our radios, I think everybody in the park has one. We would like to think that everyone in the park knows what is happening in a timely manner.

At our theme parks, we give out hourly attendance figures to our staff so that they can adjust to operations accordingly, merchandise, food and rides, depending on what the attendance is. Let me explain what our communications center is. It's a partitioned area that is behind locked doors. This enables our seasonal operators to have better concentration with the equipment. The center houses our two-way radios, our surveillance cameras, both of the money rooms and accounting areas. We have our mail room there and our main telephone system. This is really the nucleus of the communications area.

Dan asked me to elaborate a little bit on how we communicate with our contractors and lessees. Ours is a simple solution. Our contractors and subcontractors attend our scheduled meetings, whether it be construction or operation. We feel that if they are going to be at Kings Dominion working with us, that they should participate and be a part of it. This gives them a chance to air their feelings and bring up anything that might be of importance. I think regardless of whatever form of communication we use, whether it is telephone, memo, or meetings, there is invariably the resulting problem of paperwork.

Grant you, we need to be informed in writing. But in some cases it seems to get out of hand. I know one of the reasons you came here today was that you thought you might find out some miracle cure for the paperwork syndrome. I think the best thing I can advise is to use common sense. If a short telephone call does the work of a two page memo or a letter, call them. If calling the home office works faster than a three day letter in the mail, do it. Of course, we all know we need to have certain facts in writing but there is no sense in overdoing it. Again, I stress, use common sense. We are in the process at Kings Dominion of doing our budgets. That means a lot of booklets and a lot of paper paraphernalia. Again, here, you need some of it, but you can ask

the question, is all of it necessary?

Here are some of the time saving ideas that we use. When I get a memo from one of our department heads, normally, if it's a short response, I'll just scribble right back on it and send it back to them in the same day. Don't copy every correspondence. I don't think that's necessary. Route correspondence instead of xeroxing. Put a box in the corner with names on it and have them check it. When you can do it, call instead of writing. All in all I guess what I'm trying to say is communication boils down to the basic operation of management. You should know why it works and why it doesn't work and do something about it. Thank you.

MR. NEAL: What we are about to show is a little phenomenon that brings everybody in the park together under pleasant but very intense pressure in an all-out effort to make the park look good while keeping a lot of nifty people from Hollywood happy. All you need to get this kind of gung-ho work together spirit going in your park is the Dallas Cowboy cheerleaders for the guys and George Trovolta and Hal Lemmon for the girls. It's all that simple. The result of everything we are going to discuss was the ABC TV special "The 36 Most Beautiful Girls in Texas," which captured a huge nationwide television audience in the hour preceding the first NFL broadcast. We are going to run through a list of things that made it happen.

Our job was to provide the location and full services for two days of shooting, involving 36 cheerleaders, 5 principal stars, 2 video tape trucks, technicians, set designers, set dresser, wardrobe attendant, makeup experts and on and on. In other words, we had to make the park look good and we had to keep a bunch of very busy people happy. That takes help and we've got it.

Our corporate PR staff negotiated the terms of the shooting and handed us that package for execution. Our corporate bureau management was on hand, but the nuts and bolts were left to the park. The initial site survey was simple enough. Selection of sites in this case was coordinated in such a way that the crew could change locations. This crew of 75 people, including the cast, every half hour, totally changed locations within the park and that's without bringing our park operation completely to a halt. Where did we get the help that made two full days of shooting come off literally like clock work? We'll take it by departments.

We had two sets of maintenance and electricians. One with the crew that's working here, the other hopped ahead to be absolutely certain the next location was walled in and ready. Sign painters retouched signs on all the rides where we knew we were going to get park ID. Painters and carpenters took rough edges off every location part of our sight survey and picked out chipped paint on the bannisters.

Technicians were on hand to make sure sophisticated rides like the Shock Ride and the Roller Coaster were ready and running. And mechanics even pitched in to repair the generator on the rented dressing room several times.

Another department, grounds quality, did an extra cleanup to make sure the park was clean.

Security naturally was detailed to maintain security around

the location. We used security for equipment not being used; security helped the trucks leap ahead to the next location because we were using two complete sets of trucks. There were escorts for recognizable stars, clearance for crew members and their vehicles and assistance in radio communications.

Our food service fed 75 people twice a day. We did that at food locations without interfering with service at those food outlets, setting up two major special caterers. We kept up with the food and drink demands that took the full time help of two supervisors.

In the area of ride operations, two supervisors were talked into handling the logistics of shots on rides. No ride was tied up more than a half hour. Ride operators kept the guests happy. Radio communications between the supervisors kept the trains coming at the right moment and the parachutes falling at the right time.

Wardrobe gave us name tags to identify crew members and gave special attention to host and hostess wardrobe in the area where the cameras were working and special laundry and dry cleaning services in emergencies. With the production crew we used dozens of male dancers. The tech crew, working with the same designer turned the theatre into a perfect setting for Miss Nodd's song and dance routine. The games department let their per caps slide for an hour while a dance routine was shot. Games also came up with an emergency rush order for a batch of stuffed animals that we had to have in 10 minutes. More than 200 people pooled their talents to make sure that Six Flags Over Texas came off well on national TV.

I think those of you in the business can appreciate just how much work went into this. I think you can also appreciate how much togetherness came out of it. Thank you.

CHAIRMAN HOWELLS: I would like to sum up by making this one observation about how you bring a group of people together and have them focus on a common objective and accomplish that common objective as a group of people. I think very often we identify within our organizations what it is that we are trying to accomplish. Too often we identify only those people that have a major impact on the accomplishment of that objective. What we should do is we should look at an objective and we should say, who are the people within our organization that have any impact upon that objective? Then we should make all the people in that organization jointly accountable for the accomplishment of that objective.

I would like to suggest to you that you set objectives for your organization, all those who have an impact upon that objective, and bring them into a configuration where they are jointly accountable in that objective. You will see the accomplishment of that objective go much more quickly, much more smoothly. We appreciate your being here today. Thank you.

MR. HOBSON: We had the opportunity this past season to work with four of the Six Flags Parks throughout the country in producing a teen show which is hosted by Jimmy McNicholas and includes a host of teen stars. Everything that we have been talking about here today, like show production, is certainly exemplified. This year Hollywood Teen is going to be made available to the park market in two areas: one, the television package area which we tested

very successfully, taking the show on the road to the parks. It also is going to be available in a concert package without the television option, and two half hour shows available for parks to make available. Thank you.

CHAIRMAN HOWELLS: Unless you have any other questions, that concludes the program this afternoon. Thank you.

... The workshop was concluded at 5:30 p.m. ...

CONCURRENT BREAKFAST SESSIONS

SMALL FACILITY OPEN FLOOR DISCUSSION

THURSDAY, NOVEMBER 16, 1978

SALON D

The workshop convened at 8:45 a.m., William H. Robinson, Americana-LeSourdsville, Middletown, OH, presiding.

CHAIRMAN ROBINSON: I'd like to welcome everyone to the Small Facility Open Floor Discussion. If you did something last year that you can help somebody with, that's what we want to talk about. So who has the first question? Mr. Nelson?

MR. NELSON: I've been going around the country trying to find out about height restrictions on rides. Does anybody have a suggestion for roller-coasters, tilt-a-whirls, octopus, different rides like that?

MR. CONNERS: Dick Conners from Oaks Park, Portland, Oregon. We have a height restriction on our go-cart rides which is 53 1/2 inches; on our scooter ride, it also is 53 1/2 inches. You have to be that tall to ride them. On the umbrella ride, the jump cycles or whatever you want to call it, if you are over 53 inches, you cannot ride it. We are doing that more on our bolter rides. On the key rides, we are keeping them to 53 1/2 inches or under. It works out pretty well on the scooters. We get a few complaints but not that many. You talk to them and explain to them that it's a safety feature.

A VOICE: I was wondering, is there any way to take a consensus of what you would allow on a roller coaster or scooter ride? Those are the problems. The other thing is, if you have a pay-one-price, do you put any kind of notice at the front gate that you do have restrictions?

MR. SHUMAN: Bob Shuman from Sanders Beach. The reason you go to height restriction would be the safety factor. What you would want to do is to set your height for whatever type of roller coaster or bumper cars that you have. You have a bar that comes down and you want to make sure they don't slide under it or they are going to be falling out of it. We have a pay-one-price. Yes, we do post it outside so everyone knows up front what problems they might run into. Thank you.

CHAIRMAN ROBINSON: We have a 54 inch height ceiling at Americana, on four rides. They are posted at the front gates by the pay-one-price, and we do hold a strict policy on that.

A VOICE: Mr. Nelson was showing me something that might be of in-

terest to everyone--some graphic displays of "Do Not Stand," "No Smoking" and so on.

CHAIRMAN ROBINSON: Thank you.

MR. NELSON: Two years ago, we got into a program of trying to develop some signs that people will recognize on some of the rides. There are some things they should take notice of, particularly with small children. Going around in different parks, you see restriction signs, and the parks made beautiful signs by bringing them into the ride and the makeup of the ride. So we are into a graphic program that fits into the traffic signs like you see in Europe. On our down ramps, we put, "Walk--Don't Run." It seems that people notice these visual signs a little bit more. The sign says it, and it also shows it.

CHAIRMAN ROBINSON: Do you have any more with you?

MR. NELSON: Yes, this goes on our coasters. "No Standing Up." We were going to try to put it, "Sit--Do Not Stand Up," but there was no really good way of showing it. Pretty soon the kids realize what that means. We have a good relationship with the school system. These are just an added thing to bring our personality into the schools, to teach them things about safety that they need to know with the police department. These signs will be part of that involvement with the school.

A VOICE: Show them some of your other art work.

MR. NELSON: We did a little study on this. We are trying to get them so they don't create a negative attitude or negative safety posture in the park. We made them very small but noticeable for parents or children.

CHAIRMAN ROBINSON: Very good. We have another gentleman with a question.

A VOICE: Did you have some more, Mr. Nelson?

MR. NELSON: These are "No Eating" and "Drinking" and "No Smoking." We have some that say "Keep your hands and feet inside of cars." We try to develop it so the little guy is the same in most of the graphics. Here he is inside a little car with his feet and hands sticking out. When a parent sees that, I think they'll instruct the children. And that's the main thing, getting it across to the parents to be good instructors when they come to the park. It makes it a lot safer that way.

CHAIRMAN ROBINSON: Thank you. Yes, sir.

MR. RANIER: My name is Bill Ranier. I'm from Playland Amusement Park in Ocean City, Maryland. Could I have a show of hands of those who did better in '78 than '77?

A VOICE: People or dollars?

MR. RANIER: Both. Let's do people first. All of you who did better in '78 in attendance and people than in '77? How about the other side of that question? How many of you did worse in '78 than in '77? So it was a good year; right? How about dollars? Let's see the same thing for dollars. Those who did better in '78 and those who did worse? We have a park that has attendance of

about 100,000. We are pay-one-price. Are there any other parks with that attendance or less using a pay-one-price? What size is your attendance?

A VOICE: Just under 80,000.

MR. RANIER: What's yours?

A VOICE: 100,000.

MR. RANIER: About the same size. Have you used tickets before or did you start with a pay-one-price?

A VOICE: We started on a pay-one-price in '73.

MR. RANIER: How about you, sir?

A VOICE: We have used it for four years.

MR. RANIER: Thank you very much.

CHAIRMAN ROBINSON: Thank you very much.

A VOICE: I'd like to know if anyone has any problems or any policies for retarded children on the rides? We have a retarded facility in our town. It has approximately a thousand students. Sometimes we have busloads of these kids. We started out as an animal park and we now have ten rides. These kids kind of make me pull out my hair some days. I was wondering if anyone else has any policies or thoughts on this.

A VOICE: I'm from the University of Wisconsin. The best policy, I think, if they are in your area, is to open up weekly or if they change periodically, let them be your guests but at your time, when you can handle them with your own personnel. It might be on a slow day at the start or whatever it is throughout the course of your week. It is a very difficult thing to mix them on a busy day. You can have some real problems. I think it is better that you set the time, make them your guests.

CHAIRMAN ROBINSON: If they come as a group, we have always been assured they had plenty of chaperones and even tried to put one or two of our ride foremen with them to go around from ride to ride, just to make sure that safety belts and such are fastened properly and that the chaperones are instructed properly on who should ride the ride.

A VOICE: The reason I asked is that we had an incident this past summer. We usually have one chaperone per three students. But we had an instance where one of these mentally retarded persons attempted to climb out of the ferris wheel on the top. It's just a darn good thing that the ride operator was on the ball and saw it. The person was half way outside the car, and we got it back down on the ground and got the person off with no injury but it was a hair raising experience.

A VOICE: I'm from Santa Claus Land in Santa Claus, Indiana. I'm interested in what everybody is doing with the advertising budget. The question I'd like to ask is, of your total gross volume, how much is taken by advertising? I can say that we currently are putting 12 percent total on advertising, and 9 percent in media advertising. I would like to know how many people spend less than

9 percent; could I have a show of hands on that?

(Show of hands.)

A VOICE: How many people spent more than 9 percent?

(Show of hands.)

A VOICE: Look like it's about even-Steven on that. Is most of your money put in TV? How many people put most of their media money in TV?

(Show of hands.)

A VOICE: A small percentage. How about the radio?

(Show of hands.)

A VOICE: About half as many into radio. How about the printed page?

(Show of hands.)

A VOICE: Still fewer on that. The next question I'd like to ask with regard to media advertising, what is the furthest anybody goes out to really put a large chunk of your money in? Does anybody go out beyond a 50 mile radius to put your money? Show of hands on that?

(Several hands.)

A VOICE: That's a substantial number. Let's go out a little further. How many people go out beyond a hundred miles?

(Show of hands.)

A VOICE: A small number there. I assume everybody else would be in the less than 50 miles category. How many stay within a 50 mile radius?

(Show of hands.)

A VOICE: Only a very few. I think that answers the question I have. Thank you very much.

CHAIRMAN ROBINSON: Ken.

A VOICE: I'm Ken from Libertyland in Memphis. We are associated with the Mid-South Fair. In relation to the retarded children during the fair, the off-duty firemen come on a one-to-one basis and bring children. I think that's a super way to handle it. It is also a public service for them. You all might want to consider that.

CHAIRMAN ROBINSON: I would like to ask a question. When a group of mentally retarded or crippled children comes to your park, show of hands again, do you charge them?

(Show of hands.)

CHAIRMAN ROBINSON: We have always just given them a really super rate. I think we charge them two dollars. Yes, sir.

MR. WEBB: I'm Doug Webb, Victoria, up in the beautiful country of British Columbia. We see a survey that was handed out in one of the workshops that swimming is a very popular pastime, apparently the most popular thing for people to do. Is there anyone here who has swimming facilities in the park?

(Some hands.)

A VOICE: How was it handled? Did you just put in swimming pools? It's a complete mystery to me. I just wondered if there was anyone who could help me with it.

A VOICE: Since swimming is noncontroversial, I guess I am allowed to talk. We are on a lake. We have lake swimming. Our swimming pool is actually outside the perimeter of the park because we are across the street from a lake. But we have a beach. Swimming may be great in Massachusetts. Apparently everyone has his own swimming pools or there are free facilities because we don't do very much more than break even on our swimming facility in the summer. We run it mostly to round out our offering. It is not included in any pay-one-price or any discounts that we have. We sometimes carry it for a group outing, but I don't think we do that very often either. We charge a dollar for admission. The only thing that really keeps us going is that we do have a contract with the local recreation department of the next city which doesn't have its own swimming facilities to come in in the summer and do its Red Cross instruction. And that's the only thing that keeps us afloat. Otherwise, we would probably close it down and do something else with it.

MR. KNOEBEL: I'm Dick Knoebel, Knoebel's Grove, Pennsylvania. We have a swimming pool in the park. It's Pennsylvania's largest swimming pool right now. Swimming has always been an internal part of the park operations. It is operated as a separate facility. It's a dollar and a half admission which covers the locker and tennis courts. Usually, it's just been a break-even for the past couple of years. But this year, with the addition of a water slide in the area, we showed a profit.

CHAIRMAN ROBINSON: At Americana, they had a swimming pool that covered five acres; they had a swimming area and a lake. Through the past 15 to 18 years, we needed the land area, so we chopped it down. Well, the state came in and said because it wasn't a filler, that we had to close it. So we closed it and got more publicity on our pool being closed than we did when it was open. "Fifty-seven years of swimming at LeSourdsville is gone." We got so many phone calls that it was ridiculous, and we thought, well, we'll open it back up. We could never understand the state. They wanted us to shoot holes between the pool and the lake so the water could flow between the two. So we shot the holes in it. Nobody came to swim. But there is still that small minority that swam there so long; so the following year, we needed the land--we wanted to do some major revamping of the park. So we built a new olympic swimming pool on the ground. We are now on a flat rate. This is the first year to go to a flat rate. The swimming is included in the pay-one-price. But we do have a 50¢ locker fee, if you want to use the lockers and a bath house. Swimming does have its advantages and disadvantages. When you go to a company picnic that you are trying to book, you can offer more things. If Mom doesn't want to ride, she can go swimming. A lot of the people just like to take a dip in the pool to cool off in the afternoon or something like that. So it does have its advantages. A guy pays six and a

half to come in the gate and we have thirty attractions. That is divided by thirty and that is the way we figure out what each ride takes in. And the swimming pool gets 1/30 of that money. Yes, sir.

MR. PERO: Tony Pero from Ocean Beach Park in Connecticut. We have a salt water bay and we have an olympic size pool. I just want to point out that one of the advantages of our pool is that we do run about four area youth swim meets a year, and it brings up 400 or 500 youngsters into the park. They partake of our rides and our refreshment stands. I thought I would bring that out.

CHAIRMAN ROBINSON: Thank you. Another question?

MR. SHERMAN: Bryan Sherman. We have a licensed beer garden. I would be interested in seeing who has a licensed beer garden?

(Show of hands.)

A VOICE: How many people provide entertainment?

(Show of hands.)

A VOICE: Do you charge for that entertainment? Nobody charged for it. We started entertainment this year and we didn't charge for it. It was minimally successful. What is the audience's opinion about free entertainment in the beer garden? Would they think it would attract people? Would they charge for it? What's the opinion?

VOICES: Yes.

A VOICE: Would you charge for it?

VOICES: No.

A VOICE: Thank you.

CHAIRMAN ROBINSON: We built a saloon in a back section of our park called the Dry Gulch. It was some place to drop the people who rode the train and give them some place to spend their money. We had no entertainment. We started out with a piano player and it upped the gross a little bit. The next year we put in country music from 6:50 in the evening. It has done five times the business. We did not charge to get in, of course. So we went back and put in a band in the afternoon from two to five; at six o'clock we ran a radio show over a local station. And another group stayed until ten. We had two bands doing the radio show, and all the groups performed on the show. To give you an idea, we sell 100 dozen beer mugs every season, which is two semi-loads, at a buck a crack, and they take them home with them. We also have a beer pitcher. The price is \$3.50 on that. You'd be surprised at the people who will sit there and take a dozen, two dozen home with them. It's a good promotional gimmick. I don't know whether we will do it again because of the price today--you used to buy it for 23¢ and it's up to 38¢. Even if we ask a buck and a half for the beer, I don't know whether we could carry it or not. But it has been a good draw. And we sold so much beer and soft drinks that it paid for the entertainment. We sell food and we really do well. It's just a rough old building that we threw together ourselves. The people just love it. We do not allow dancing, but they dance anyway. It has really been a super, super attraction in the park that costs very little. I think the saloon cost us at

that time--it's been enlarged three times--right around twelve or thirteen thousand dollars to build. They move an average of 30 half barrels a week out of it so that's pretty good money at a buck a crack. Okay. The next question.

A VOICE: Why not label your beer mug or pitcher with your company name?

CHAIRMAN ROBINSON: We have that.

A VOICE: Call it a souvenir. Sell it to the customer the first time and refill it. That's what we did last year. We sold many thousands of them.

CHAIRMAN ROBINSON: The refill is half a buck. You pay a buck the first time and a half a buck to fill it up. But we found that we don't fill them back up. They buy another one. We have been taking a mug and putting candy in it and wrapping it in fancy cellophane and putting a ribbon on it and putting it in the novelty shop. My brother-in-law was into making candles at food markets. He took some of the mugs and made candles in them and they went so fast it was ridiculous. There are a lot of things you can do with that beer mug. Yes, Ma'am.

MS. ANDERSON: Joyce Anderson from the Ponderosa Ranch in Nevada. We are probably the largest user of tin cups in the world. We use about 250,000 of them. We do exactly what you are talking about. We don't have any live entertainment in the daytime at our saloon. But everyone comes to the Silver Dollar Saloon to get one of our tin cups when they buy beer or coffee or coke, peanuts, candy, whatever. But it is very, very successful. People always take them home with them.

A VOICE: What do they cost now?

MS. ANDERSON: They've gotten very expensive. They are about 36¢ now.

CHAIRMAN ROBINSON: We started with a 12-ounce mug, and I collect Coca-Cola items, so I visit flea markets and such. We went from a 12 to a 10, and about three weeks after we went to the 10, I saw the 12 ounce mug in a flea market at three bucks a piece with nothing added.

A VOICE: I'm from Bowling Green. We had just a minimal charge to get in, 10¢ a person. You pay so much per ride. We have an option of the pay-one-price. Our question is--we are considering going to all pay-one-price and fencing in the park. And I would like to hear just a little feedback from different people who have had the choice of either tickets or pay-one-price, the ones who have gone to pay-one-price, and if they are successful?

A VOICE: About four years ago, our park had no controlled ingress or egress. It was totally open and there was no charge for admission. We fenced it in, put a turnstile in and charged a quarter a person. We found in our park, which only does about a hundred and fifty thousand a year in attendance, that you have to offer the option of the tickets or pay-one-price because the grandmothers and so on don't want to buy the pay-one-price. Our tickets run about forty percent of our ride income; pay-one-price is about sixty percent.

A VOICE: I'm interested, Mr. Chairman, in what your budget was

for the advertising of your entertainment in the beer garden?

CHAIRMAN ROBINSON: I'd say, truthfully, I didn't budget. That's something we don't know anything about. We try to get rock bottom prices, as low as we can get them. That's the budget. This year, the band that we had in the evening is there from six to ten, a hundred and eighty-five. The afternoon band was a five piece group, which had two feature singers. There were four musicians and two singers, a male and female. The afternoon group was bluegrass. I think there were four musicians. They got a hundred dollars. So that's two hundred and eighty-five bucks tied up. We normally do not use union musicians. When we do use them, they don't get the scale. We are going to pay them what we can afford. So like I say, we didn't really have a budget. The thing was to put it in; if it worked, then maybe next year, we spend even more. If they don't work, you fire them. You have to let the band go. That was our first look at entertainment. Okay. We went from two country bands to two country bands, a banjo group, a Dixieland group, a clown type group, a full orchestra and a drum and fife corps. I spent less than thirty thousand dollars for the whole thing, and even bought uniforms for that price. It really went over well. We put the circus in this past year; we cut out the Rascal group and we cut out the Dixieland group; we cut out the orchestra and we don't have the drum and fife corps. We used it for two years: the bicentennial year and the year following. There was a rock group in there too, which was our Crazy Critter Show.

A VOICE: Which was most successful?

CHAIRMAN ROBINSON: It's very important now how you judge whether a roving band in your park is successful. It's hard. If a group has a catered meal with us, we'll bring back our characters and a banjo band to entertain during mealtime. And that's something they don't have to pay for; so they get entertainment. Say they go through a line and maybe the chicken's cold. But they forgot it because the band's playing and they are happy. You know, you can work it back and forth, but it does have its advantages.

A VOICE: That obviously is not covered outside. Would you suggest putting a cover on the outside entertainment?

CHAIRMAN ROBINSON: The only thing we have got covered is the saloon. We had 20 rock and roll shows in the last year and I think we got rained out twice. But the show went on in one. The other one cancelled. They couldn't get out of New York, so they had to call the show off. In 15 years of rock and roll, that was the first show that ever cancelled in the park. It was no fault of ours. Rainy weather or no weather, the show would have gone on. We have had people standing in the rain, maybe no more than a hundred of them, but I have had them stand in the rain to watch the entertainer because that's who they wanted to see. In addition, we have in the past been discounting rock and roll shows on Friday night to build the crowd up. We've come to the conclusion that this doesn't mean anything. If they want to see an entertainer, they'll pay the price. So this is what we are going to look at this year--not discounting on Friday night. We are just going to charge regular rates and hope we can meet the expense.

A VOICE: What advertising did you do in the local area, and did you put any on television or radio?

CHAIRMAN ROBINSON: Jim Gruber is our advertising agent. He might

be able to tell you; you are strictly talking about rock and roll?

A VOICE: Yes.

MR. GRUBER: I think, as far as rock and roll section of it, as far as the advertising budget, probably about 25% of the budget was spent to promote strictly the rock and roll groups that came into the park, especially toward the middle of the season and toward the end. We did a lot of TV spots. We put together 10-second spots to promote the special groups. We bought a lot of news. We felt that that was the best place to put the spot because of the region; we couldn't get that much frequency, but we could reach a lot of people via the news section of the TV, so it was a lot of TV. And we did some newspaper, not too much radio on the special groups.

CHAIRMAN ROBINSON: All right. I'm going to contradict what Jimmy said; okay, not because he had a budget and I had a budget; okay? My budget was made up of concessionaire's money. This is a new organization with our park that is headed by the fellows who are concessionaires there. Four of us are salesmen for the company. So whenever I went and told them what I wanted to do, it was very easy to talk them into spending an extra buck because we were starving to death on Mondays and Fridays. They used to dance, where I had two thousand students every Monday and Friday. Of course, the dance phase went out. We are talking about 1962-1963. I had talked with the owner and said, I can come up with X number of dollars for my concessionaires every week to buy advertising with, if you will pay for the entertainment. He says, "Do it." So I went back and talked to all of the fellows and nobody balked on what was going on. If they would have, I would have raised their rent to get the money because I was going to do it and prove that it worked. Well, that money was controlled by me. I went to a radio station, which at that time was number 1. I was selling rock and roll of the 60's to people my age who had kids who would come in the park and would not cause any problem. I felt they still listened to that station. So I would go to them with a budget and say, "This is what I've got to spend. What can you give me?" Then, we'd work out a package deal. So maybe I would buy, let's say, ten spots. And they would give me ten spots. It ended up, they were giving me twelve a day, one every hour. We spent about thirteen thousand dollars with them. Then we gave Jimmy some money to spend in the newspaper to buy ads for us, which we ran. In the beginning it was one ad a week, and we went to a small ad every day. I also was able to tie up with Coca-Cola, and we called it "Coca-Cola-WSI Friday Night Rock and Roll." Coca-Cola stuffed every carton of 32 ounce soft drink in the Cincinnati market, which was also Northern Kentucky, Eastern Indiana with a sticker that said, "If you bring two 32 ounce bottle caps, the regular five dollar rate, after five, you can get it for \$3.75." We did not get a lot of bottle caps. But this is what I am saying: discount really wasn't all that important. Coke also gave me \$20,000 worth of free time from their budget. They spent on radio stations, they would play a sixty second spot; thirty seconds would be Coca-Cola and thirty seconds would be Friday night rock and roll. So you can always jump on with somebody else and get a lot of free stuff. Do you have anything else, Jim?

MR. GRUBER: I think in our budget in the course of a year we spent approximately \$30,000 for TV and newspaper to promote the rock and roll.

CHAIRMAN ROBINSON: Rock and roll was not a paying proposition for us this year. We broke even on it. Main reason, our friends at the other entertainment or amusement parks in our area heard what was going on, so they got on the same thing. The Riverfront Coliseum was also bringing in big groups. But live entertainment is expensive. When you go buy an act that costs you seven thousand dollars and the gross at the gate is seventy-three hundred dollars, you are down the hole. I guess you have to weigh it both ways. We really didn't feel that we were touching those people who would come to our shows any other way anyway. We had some disastrous shows with good people. Rick Nelson was a bomb. I know a lot of the other parks used him, said they did well with him, but he was a bomb. Next question.

A VOICE: We recently considered installing lightning rods in a number of our buildings. I have been told there were no insurance credits available for lightning rod systems. Can anyone verify that one way or the other?

CHAIRMAN ROBINSON: Mr. Wood was telling us about how he got deductions on his insurance and such. I think you had best go to sprinkler systems. Do you know anything about it at all?

A VOICE: Are there those here using lightning rods? Do you have insurance credits?

A VOICE: In New York State.

A VOICE: In New York State? Thank you.

CHAIRMAN ROBINSON: Next question, please.

MR. MOLLIKIN: Pat Mollikin, Columbus, Ohio. We have a very small facility that has existed for probably 25 years. We are in the process of trying to upgrade the facility. We have a tremendous market area, and we think some day we are going to do it. But like a lot of other people, we do a little bit at a time. We really don't know the best way to do it. How do small facilities establish priorities? I'm sure everyone has his own idea about it. My object is to hear some of those ideas. Bill, I'd like to hear from you. I know you thought of yours as a small place at one time. We have 42 acres to develop on. I believe you had 60 over there. I'd like to hear from you folks.

CHAIRMAN ROBINSON: I'll let somebody else talk and then I'll go afterwards.

MR. KOCH: I'm Bill Koch from Santa Claus Land again. I don't have any answer for it but we went through this same sort of thing. We were trying to pull ourselves up by the bootstraps, trying to figure out what to do. So finally we decided to go professional and get professional architects on the job. I know several of them in Dallas and Santa Monica and St. Louis that are available to give you master plans, and I would recommend before you start tearing your park up and doing it on a piecemeal basis, that you get a master plan, no matter where you get it from or how you get it. Get your master plan set up and then you can go piece by piece. But you know where you are going and where you are going to end up. Thank you.

CHAIRMAN ROBINSON: Thank you. Americana-LeSourdsville was shocked about ten years ago, like everybody else was, or most of us have

been, when a major park moved into our area. Going into the season in 1976, we were at a do or die situation. Either we say that we are going to take the bull by the horns or go after them or just let them take us over. We got a very, very aggressive group of fellows working for us and they put in more time than what they are paid for. We did not get a master plan from anybody. We have expanded about three and a half million dollars since 1976 and Americana lives in Southwestern Ohio, doing well. This last year we did the same business we did last year money wise, not people-wise, money wise. Our competitor, which is Kings Island, probably the most successful amusement park to be built in the past ten years, continued to dump big bucks into the park. But if you look at parks, they are drawing outside that 50 mile radius. And on the inside of it, we are a big picnic park. We went from three salesmen in 1976 to six salesmen on the road for the 1979 season. We did nothing but go out and bang on doors every way we could think of to get somebody in our park. If it loses money, we don't do it next time. But we do it if it's not too costly. We watch our budget. As I say, we don't have one but we still try not to get ourselves in trouble. We did an awful lot last year. We went from a name that had been there for 58 years and changed it. We went from a dollar gate to six-fifty. A lot of people complained about going from a buck entrance to six-fifty. We had a choice of buying the pay-one-price or just tickets. But none of the picnics kicked about it. A lot of them even changed, where they were paying--maybe a company would pay part of it, they switched to paying all of it. Picnic business was up as a whole. It was a big step but it had to be done, and I would say our biggest problem with it has been during a rock and roll show with kids crawling over the fence and us trying to beat them back with a stick. But that's about the only problem I feel that we have had. We had a small problem, which I know Jim is going to disagree with. We dropped the name of LeSourdsville completely. The new logo will say Americana and LeSourdsville Lake Amusement Park. LeSourdsville Lake is for the people we have dealt with for 50 years or better, Americana for the new people that we going to deal with.

A VOICE: Mr. Chairman, the question of this gentleman was priorities. I'd like to blow the horn of LARC, Leisure & Recreational Concepts; go to his booth and talk to one of the people, Mike or Ralph. They helped us a lot in Wisconsin. Mike gave us some discipline. That's what I like about Mike Jenkins of LARC. He'll tell you what you don't want to hear. Another thing, his strong word, great integrity. Second priority of advertising, I'd like Jack Gray to discuss briefly.

MR. GRAY: You all understand how the University of Wisconsin works for the people, and we are very proud of that. One thing we found out, the people in this trade have very limited knowledge of the people buying the product. They don't know where they are from or why they are there. If you can find out the consumer, whether it is by age group, occupation, I think it is the greatest--you can find out exactly what they are watching, what they are listening to and what they are reading. And it all starts with the people who are going through your gates right now. I think the greatest challenge for any marketing device for people in the attraction business of the amusement park is to find out more about your consumer. And that's where it starts, right there at your gate. Thank you.

CHAIRMAN ROBINSON: How many of you, show of hands, do a market survey before the season and after the season?

(Show of hands.)

CHAIRMAN ROBINSON: How many of you don't do any, period? You do not even have--you have a question and answer from people coming in the park, you don't even try that? Yes, sir, Mr. Smith.

MR. SMITH: I am Mr. Smith of Beautiful Highway in Northern California. My business is tourism. A few years ago I was vitally interested, dollars and cents-wise, as to where my people came from. We live on a highway that goes north and south and people can only come to us by automobile. I wanted to know what brought them to my park. So I had printed for all our tourists who come to our gates a form large enough that Mother didn't have to drag her glasses out of her handbag. I had about 25,000 printed and in one week's time, I had 25,000 answers. I wanted to know where people came from and how they got there and where they were going. I asked these questions. We advertised by billboards. At one time we had 200 billboards from Canada to Mexico. You know what happened to the billboard industry. We put bumper signs on. That is something I haven't heard anybody mention. It's a tremendous operation, particularly if you live in a highway that is not six lanes wide. We figured it cost us about 15 cents for a bumper sign. And we figure that at least 50 people see that. I found that people came to us first of all by billboards and, secondly, by bumper signs, and, third, by word of mouth, which is advertising you can't buy. Thank you.

CHAIRMAN ROBINSON: Any questions, please?

MR. DAILLEY: John Dailley, African Lion Safari, Rockford, Ontario. I'd be interested to find out how many parks or attractions use an ad agency to administer their advertising and promotion budget for them? I'd like a show of hands, first, of those that do use an advertising agency.

(Show of hands.)

Okay. Let's have a show of hands of those who administer it themselves.

(Show of hands.)

About 2/3's, 1/3, would you say?

CHAIRMAN ROBINSON: Yes, sir.

MR. DAILLEY: Try it another way. Are there any who have a budget, let's say, of a hundred thousand or less, who use an advertising agency?

(Show of hands.)

MR. BOWEN: There is a third alternative to either doing it yourself or doing it with an agency, and we found it was successful for us. I'm John Bowen from Whalom Park. We are a small park with a very small advertising budget. We have what is known as an inhouse agency and we use it basically to get for ourselves the discounts that advertising agencies get but have the flexibility and control, and I guess the personal care of advertising budget, which you sometimes can't get when you go with the big outside agency or even a medium outside agency. We have done it both ways, and we have found that an inhouse agency is the best suited for a

small park for a small budget with the flexibility and the quick turnaround and all the advantages financially of an outside agency.

A VOICE: I have two things I'd like to say. One is a bit of advice. After the promotions workshop yesterday, several people indicated an interest in the Jello Jump. My advice to you is be sure that you check with General Foods Company before you use the word "jello." It is a copyrighted name, a trademark. They get very antsy, when you use it and don't put trademarks on there or use it without their permission, so be careful. The other thing I want is a question. In fact, it's a twofold question. A lot of people have been hyping water slides. You hear all sorts of fabulous reports about how much money they are making, all this sort of thing. First I would like to know if anybody has had any experience with the water slide inside a park, inside a pay-one-price park and also I'd like to know if anyone has had any experience with an outside--I'd like to know what sort of return you are getting on your investment and this sort of thing.

CHAIRMAN ROBINSON: Tim Hardy, are you here? Tell us about your water slide outside.

MR. HARDY: I'm from Indiana Beach in Monticello and we have a large campground in connection with the amusement park. I think the biggest advantage to us at our particular operation is that we keep our campers there. By having a thousand sites, you've got a lot of people there to try to take care of. Our main reason for putting the slide in, outside of profit, was to keep those campers there maybe an extra day. And on a third day, maybe they'd end up back over at the park. And it worked. The results as far as income? I don't know where a lot of them get their figures. We have two lanes. I think what fools a lot of people with the water slide--if you look at it very carefully, we have a 45 minute period. Some slides have a half hour period. But each time you see all those people going up and down the slide, they don't represent another 50¢. We have booked industrial picnics on the slide. People in the community drive by and say, "My God, everybody is making a fortune there." But the fact is you see a bunch of the same people riding around every night. I would say for us it was very fine. I think on per capita income and the campground we averaged 50¢ a person. For every person who went into the campground, 50¢ ended up on the slide. So that gives you an idea of about what we did. The initial investment, we had to build our hill. We did everything ourselves, and we subcontracted a lot. I would say that the figures that most of the people were shooting were way high as far as these franchises. If you do it, yourself, --I'm talking about the change house and maybe a snack bar, which we built, probably around a hundred and seventy-five, you can get by easily. And that's building your own hill.

MS. HILL: Cathy Hill from Bowling Green, Kentucky. We have a slide in our park. We also have a campground. Our slide opened about two months late due to every difficulty you can imagine and weather, but it was terrific. It showed a great increase over the last two weeks of August, made the thing look a lot better than it would have, because the last two weeks of August aren't very good weeks when school starts. It was good for us.

A VOICE: Do you have a pay-one-price?

MS. HILL: We have pay-one-price and it was an option. I don't know if we are going to put it in the pay-one-price next year.

People had the option. We had a crazy pay-one-price. I think it would take about five minutes for me to explain it to you. Even with the pay-one-price with the water slide and with swimming and golf and other things, they can take a discount pay-one-price that didn't have the water slide and we added to the pay-one-price two special characters. We had a Rolly-polly and a Fuzzy-wuzzy. And you try to explain that to your people and they try to catch on. But I don't know if we are going to include it in the pay-one-price next year. You can make more money if you don't because they are going to ride it. We had the all day special, the half hour and the hour. Lots of times, they get half an hour, they enjoy it so much, they come back and take the all day. And the older people can't take more than a half hour.

MR. BOWEN: John Bowen from Whalom Park. We had an interesting experience with our pay-one-prices this past year. We run during the week, we are not open on Monday--we closed on Monday a couple of years ago, with the energy crisis; but we are open Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday. About four years ago we went to a pay-one-price Tuesday through Friday. We give them the option of tickets or pay-one-price. Last year we ran a pay-one-price from one in the afternoon until ten at night. Last season we decided to try to increase our night-time business which had been falling off in the past couple of years. So we gave a reduced rate for a pay-one-price after seven o'clock. Last year we spent four dollars on pay-one-price for the whole day, then we went to two-fifty from seven to ten. We were a little bit concerned when we first did this because what we thought would happen was perhaps we were going to take away from our afternoon business and strengthen our night-time business and end up with valueless dollars. When we first started out, the people would get in line about 6:30 and stand in line in front of the ticket booths from 6:30 to 7:00 so they could buy the tickets at 7:00, 7:01, and get advantage of the two-fifty. We found out at the end of the season we got as many people in the park for the all day pay-one-price as we did the year before. So we didn't lose any money then. We got about 75% more people at night than we did during the day. So the reduced and the discount at night brought new people into the park, didn't take away at all or very minimally, if at all, from the afternoon business. And we found our weekday operations, because we discounted after 7:00, was up considerably.

MS. HAYS: My name is Linda Hays and I'm from Uncle Cliff's Family-land up at Albuquerque, New Mexico. What I want to ask is how many people offer pay-one-price a few nights a week versus how many people offer pay-one-price all week long? First, how many people offer pay-one-prices a few nights a week?

(Show of hands.)

MS. HAYS: How many offer it every day?

(Show of hands.)

MS. HAYS: When we started out, we just started out a couple of nights a week and now we are doing it five nights a week, and we'd like to go to another night, and so I'd like to get some feedback on what people have to offer on this.

MR. DEERY: Mr. Chairman, my name is Hugh Deery. We are in the entertainment business but we have also operated the Hugh Deery Insurance Agency for over 20 years. And this man's question about

lightning rods made me think that possibly we in this room consider that our insurance rates are something that we have no control over or something we can't do anything about. I am speaking now of fire and extended coverage, which is generally fire and windstorm. The extended coverage rate varies from Florida in the hurricane belts to the Midwest. And that you can't do anything else about. Your geographical juxtaposition determines that. But the final rate is something you can control. If you've got a hundred thousand dollar building or a five hundred thousand dollar building and we are talking about three cents a hundred, or thirty cents a thousand, and a hundred thousand dollars at thirty cents, thirty times a hundred thousand is a lot of money. Now, how do you do that? I must apologize for any regional variations and things like that. But fire insurance rates are generally started with an abstract figure, like concrete block or a fire resistant--there's no such thing as a fireproof building, or a fire resistant building or a frame building will cost so much per hundred dollars in insurance. Then the occupancy will have some effect. For example, if it's going to store steel or concrete block, it would have less hazard. But if you have a volatile inflammatory operation going on inside --so the occupancy affects that. We can't affect the occupancy because we are all having some type of entertainment. Our restaurants are disastrous on fire rates.

Call your insurance agent and have him get you a rate makeup from the rate making body within your state and you will see that having "no smoking" signs in certain areas, it might be worth 3¢. You will see that by having A, B, C--that fire extinguisher there is not there for your convenience. That's there for the convenience of the Hilton Hotel. They don't give a damn if you get on fire. They just want to save money on the rate. That's why that fire extinguisher is there. Those are the things--what's adjacent to your building has an effect. Call your insurance agent and have him tell you why you are paying this and what you can do to change it. Thank you.

CHAIRMAN ROBINSON: Thank you. Very good. John? You had done some research, you said, over the winter. Before we leave, I'd like you to tell about it because last year we had really a discussion on insurance--

A VOICE: I wanted to ask a question on a different subject. Is that all right?

CHAIRMAN ROBINSON: Go right ahead.

A VOICE: I'd like to ask the audience from the people who offer both a one price admission and use tickets, those parks that have any type of water--such as a water slide, how do you identify those people who are using a one price type admission as opposed to ticketing and any successful means of application that you have used?

MR. MELLON: My name is Rocky Mellon from Roseland Park in New York, which is just a short ride from Buffalo. We both have the same situation. We do have a pay-one-price and we also have the option of buying tickets. With the pay-one-price, we give them a band to put around their arm, okay, which means that you have the pay-one-price. When you go to the ride, your ride operator knows that you can ride for nothing. The other way, you just have tickets--

A VOICE: What kind of band?

MR. MELLON: We had a string that you can't get off. If you break it off, you know, you can't put it back on your arm. And then this last one was a plastic one similar--

MS. HILL: I hate to talk so much. We use the band. We have two different colored bands they can go on the water slide with it. They have the option of the pay-one-price. Not only do we use the band, we use the stamp, so they can go into the pool. Kids can imagine any way to get their hand little and get that thing off and switch. I don't know how you ever outsmart them. But we use the band and the stamp. They are stamped when they come out of the pool. And then when we got the band, we had another stamp. We really stamped them up. And then they only get one chance to go on the water slide. They must have a ticket to go on the water slide with the pay-one-price. And they get another stamp.

CHAIRMAN ROBINSON: In our pay-one-price program, years ago, before we changed, they were taking the stamp and picking it up on a piece of wax paper and transferring it to the next hand. You don't use 66 or 99 or things like that; you have to use 75's so they can't be turned around. Someone would get stamped, hit that stamp with a piece of wax paper and turn around and hit my buddy with it. It does work. And like she said, that plastic can slowly be stretched and slipped off the hand.

A VOICE: I'm from Seabreeze Park. We use ultraviolet light because they can't tell what kind of stamp you are using. If you use black ink, they'll go out and buy it. There are kids who have been caught outside the park, "What stamp do you want to use today?" And they charge them for using the stamp. So we use ultraviolet light. They can't tell what kind of stamp it is, and they don't know what kind of stamp to use that day.

A VOICE: Comment on this gentleman here. We had a tremendous problem with NC Industries this year. Their plastic was very brittle for some reason and the children were breaking the heck out of the wrist bands, catch it on a fence post or on a ride and it would break off. They would come to the offices, say, we bought the wrist band but it broke, you know, where they found it or picked it up. So we went to a black light, just like you did, where they can't see it. At the ticket booth, they get their band on, the ticket seller hits them a couple of times. They can't see what's on it; they have no idea; they can't transfer it. They come in the office with a black light. If the stamp doesn't show up, they didn't buy the wrist band. It worked very well this year. No problem at all.

CHAIRMAN ROBINSON: We have a pass-out gate. We are just using a regular black stamp or something like that. And, we're out of time for now, but we will be meeting again tomorrow morning. Thank you.

... The workshop was concluded at 10 a.m. ...

GOVERNMENT RELATIONS

THURSDAY, NOVEMBER 16, 1978

SALON C

The Government Relations Workshop convened at 8:45 a.m., Joe Malec, Jr., Peony Park, Omaha, NE, presiding.

CHAIRMAN MALEC: Good morning, ladies and gentlemen.

I'm Joe Malec, chairman of the program this morning. I'm also chairman of the Government Relations Committee, of the Association, this year, and for about the past six years.

I've corresponded with quite a few of you, and spoken to a lot of you on the phone, on some of the various matters that have come up.

And, this morning, Al McDermott is going to give a formal presentation and then go through some of the questions that we received on the questionnaire that we put out. And then, we'll hold the general questions until the end of the session.

So, I'll turn the meeting over now to Al McDermott, the Washington counsel of the Association.

MR. MCDERMOTT: Thank you, Joe.

This morning, as Joe indicated, I'm going to briefly summarize some of the activities that have transpired in Washington, within the last year, and perhaps touch upon some things that might be expected in the next Congress.

I think one of the most important items that should merit your consideration is the so-called wage and price guidelines. Now, tomorrow you're going to hear from the assistant to the president for administration, Hugh Carter, on this important subject. So I'm not going to dwell this morning on it. And I'm not sure he'll be in a position to answer questions tomorrow. But I think you should be conscious of the fact that this particular item, wage and price guidelines, is not going to go away. And, of course, if the inflationary spiral continues, as it has, within the last few months, there is a danger--a danger--that some kind of mandatory-type provisions could be recommended.

I'm choosing my words rather carefully, because, under present law, the President does not have the authority to recommend or impose mandatory wage and price controls.

Now, there are some in the Congress who feel that this should be requested, and that the Congress should respond favorably. At the moment, I do not think they're in the majority. But, as I point out to you, depending upon what happens in the next few months, that particular type of thinking could change drastically.

I think also that, as you know, in the President's proposed wage/price guidelines, he recommended a credit to certain individuals whose salaries did not exceed a given figure. And this means that he has to go before the tax-writing committee--the House Ways and Means Committee--and the Senate Finance Committee--for that authority.

Now, it doesn't take too much thinking, on anyone's part, who's been around Washington for any length of time, to know that once the Congress opens up that type of proposal to legislation anything can happen.

So, they undoubtedly will give President Carter an opportunity to testify, or his assistants to testify, on that particular proposal. And once that is done, the Congress then will probably

impose its own will in certain other areas in the wage and price guidelines or mandatory controls.

So, the point is, in the next few months, when Congress returns, you're going to hear a lot about the wage and price guidelines.

I'm not taking anything away from Mr. Carter--let me just this morning tell you that the proposals which the administration has made in this area are strictly voluntary measures. He has no authority to make them mandatory.

However, to the extent possible, as you all know, the President and his lieutenants are going to get compliance with the recommendations. I would think that perhaps in our area the biggest danger there is a public exposure one. I know some of you read about the Hershey candy bar already. I don't know--somebody from Hersheypark may be here. But I think they handled it rather well. It's unfortunate they were the first ones to get hit with the public exposure. But I think it was handled well on the retort.

Now, as far as other than the public exposure, the only major thing that I can vision is if you have--and I don't expect you do--but those industries that have procurement contracts with the government. There can be a lot of arm twisting in that area.

So, briefly, what this voluntary program does--and I'm sure Mr. Carter will solicit your help--and I think you should give your help, as far as possible, in this area--but I'm sure you're going to get that pitch tomorrow. I'm sure, if he were to be asked, he would say they do not envision mandatory controls. But everybody says that right up until the bell sounds.

But as of today, on the voluntary program, it will provide annual increases in wages and private fringe benefits, not exceeding 7 percent.

Now, unfortunately, for many industries, such as ours, there is an exemption in the case of so-called low-wage earners, so that workers earning less than \$4 an hour would be exempt from that particular provision.

The standard, by the way, does not apply to individual workers. The standard applies to average pay increases for groups of workers.

As far as the price is concerned, individual firms are expected to limit price increases over the next year to one-half of one percentage point below your average annual rate of price increases during the 1976-1977 period. So, for those two years--those are the base years--and your price increases for next year should be limited to one-half of one percentage point below those average annual rates for 1976 and '77.

There is one little provision attached to that. And that's that the maximum increase would be 9.5 percent.

There's one other little alternative--that if a firm is unable to meet that one-half percent deceleration standard due to unavoidable cost increases, they could use an alternative, which would indicate that they could use their before-tax profit margins, providing their tax-profit margin was no higher for the next year than

it has been for the best two of the last three years. So your profit margin for next year would have a restriction that it could not be any higher than the best two of the last three years.

I do want to touch upon a couple of other things before I get into the wage-and-hour field. First of all, you all know that the Congress passed a tax bill, and the President signed it, just before the election--he signed it very quietly--because Mr. Kennedy from Massachusetts, and the AFL-CIO were strongly opposed to his signing it; and he didn't want to, before the election, make too much of a hoopla about it. But he did sign the tax bill.

And it's a pretty good bill from the business community standpoint. It lowers the tax rate on corporate income tax to 46 percent, from the present 48 percent. In addition, it provides relief in the capital gains area. It contained a little expansion in the investment tax credit area. It does not contain any provisions which would restrict the deductibility of business meals or other business entertainment expenses. It does not restrict any convention-type expenses. And I think this is important. There's a job tax credit bill included, in that particular tax bill.

I think it's important because Sen. Kennedy, of course, has been out to curb some of the business expenses. I'm not attacking Sen. Kennedy--he's from my original home state of Massachusetts. But he's going to become more potent and more powerful next year, not because he's necessarily running for president, but because he's the chairman or will be the chairman of the Senate Judiciary Committee. And this is an important position.

Now, he was beaten 49 to 9 at 10:30 one evening, when he tried to restrict the deductibility of business expenses. He managed to pick up eight other Democratic votes, and that's all he got. He didn't even get into the two figures. He didn't make 10 votes. And he was pretty well disheartened.

But he'll be back, either next year or the year after, attempting to curb some of the so-called abuses. And, in his position, as chairman of that Senate Judiciary Committee, he's going to get more than nine votes. I don't care what he offers. And the reason he's going to get more than nine votes is that individuals who want to get something out of that Judiciary Committee are going to have to deal with Sen. Ted Kennedy. And they're not going to get too much out of his committee, as chairman, unless he gets something in return.

So, some of these tax battles are not dead. They're dormant. And hopefully they'll lie dormant for a few more years at least. But it doesn't mean that once in a while, because you lick something, that that particular item is dead forever. It has a way of resurrecting itself.

And I just want to caution you that even though that tax bill which has been passed and signed from a business standpoint has been a favorable one, there is no assurance that within the next few years we will not be faced with adverse tax legislations.

Now, one other thing, for those of you who run restaurants, I think a very important item was included in that tax bill because the Internal Revenue Service, without a change in the law, changed their regulation, or proposed a change in the Internal Revenue Service regulation which would have required each and every

one of you who accepts any type of a credit card on which there would be a tip attached to that credit card to go to the problem of having an extra record-keeping burden placed upon him.

Briefly, what it would mean is that you'd have to have your cashier, or hire somebody else, to keep a record of all charged tips. And you'd have to have that available for IRS. And then, within the next year, IRS would have given you a new form W-2 that would have had a block in there that would have provided a space for you to insert the amount of charged tips that you distributed to Al McDermott over the year, in addition to the regular block of the tips that Mr. McDermott reported to you.

Well, we've been fighting that battle for quite a while; and at least we have a favorable report. Because included in that tax bill was a prohibition on the IRS to stop that type of tinkering with the charged-tip provision.

So, those of you who accept credit cards and there are tips on those credit cards, I think have a relief from an intolerable burden that would have been placed upon you.

Now, as far as the next year is concerned, in the tax field, I mentioned there'll be an effort on the part of some to go back and undo the tax bill. But I think that that is not likely. The greater likelihood is the following year.

But it doesn't mean that there won't be some tax legislation next year; but I don't think it'll be in the general tax bill that we had this year. I don't think they'll undo that.

What I think they will do is touch upon fringe benefits. And there may be some of you, or some of your employees, who may be having the benefit of some kind of one of many fringe benefits. This is going to be very carefully examined. Already, the House Ways and Means Committee has a subcommittee looking into it. And next year they're going to get into it in a serious vein. So I think you can look for some real action; and we'll be reporting to you on some of the efforts of the kind which can change the fringe benefit provisions in the next Congress.

I frankly also think that there'll be some relief in the Social Security area. But it may not come about. Certainly, the increases that are already in the law books will not be terminated by January 1 of '79; and the best we could hope for is that there will be some relief for the subsequent increases in the Social Security tax which are already--and I emphasize this--which are already on the law books.

There's a provision on the law books that would increase the rate of your Social Security tax up through 1990. The law books already provide for an increase in the taxable Social Security wage base up through 1987, when people, under present law, would be paying Social Security taxes on a base of \$42,600. And that's pretty substantial. Next year, that base is 22,900. And that's an increase from this year.

So it gives you some idea as to the impact of the Social Security tax. And when you get a little bit of relief, in the tax bill that was passed this year, when you offset it with the increases that you're going to have to meet in the Social Security tax, the relief, if relief at all, is negligible. There is a little bit of

relief for some taxpayers; there's no relief for others. So they really shouldn't fool you when they indicate to you that they're giving you in one hand, they're usually taking away with the other.

Now, let me talk about another item, because most of you know that Sen. Inouye is going to be here at your banquet on Saturday night. He's the senator from Hawaii. And also the senior senator on appropriations and the Commerce Committee in the Senate. But, perhaps most importantly, he is the chairman of a subcommittee of the Commerce Committee, entitled Merchant Marine and Tourism. Now, it would take me an hour to explain to you why they coupled merchant marine and tourism. But I'm not going to go into that; it's not that material.

But tourism is important. And he is a great friend of the recreational industry; he's a great friend of tourism. Naturally, coming from Hawaii, we probably expect him to be that. But he is. He's probably the leader in the tourist field, and that goes for the House and the Senate. He's the one man that's out front. So he's a good friend of our industry; he's a good friend of the whole tourist industry.

And he's trying to go ahead with a study and the IAAPA is testifying on this study. But he's going to have more hearings next January or February on it. He had some preliminary hearings last month, and we testified, primarily in the area of getting greater coordination among top government officials so that they know what's going on in the tourist industry.

For example, your child labor provisions--the only one that knows anything about that is the Labor Department. The Secretary of Commerce, and others that are involved in tourism, don't know the impact that the Labor Department might be having on the employment in the amusement park and recreational industry.

So part of the proposal that Sen. Inouye has promulgated is to better coordinate those in the top level of the government, so that they would know the problems of the tourist industry. And that's just the first phase.

When we testified, we testified in support of a greater mechanism for coordination and council among the top government agencies, the heads of those government agencies.

And we also added a little footnote that we wanted it chaired by someone in the White House because when you try to knock heads, there are a lot of individual entrepreneurs, even in the government agencies, and they don't listen to one another; and you often-times need someone from the White House to have them sit down, and sometimes knock their heads together.

So, while we favor this advisory council, we want it chaired by someone who's a top assistant to the President, regardless of the party in power in the White House.

So, we're going to testify again in January or February on greater details as to what the federal government's position should be in the area of tourism.

But the point is that Sen. Inouye, who is the spokesman and the leader in this area, is going to be your guest on Saturday evening at the banquet, at which time he's going to receive an award.

And I encourage your participation at that banquet.

I won't go into it any further--I feel certain that in the time allotted to him Sen. Inouye will discuss his plans for travel and tourism at the federal government level.

We've also been involved in energy in an effort to make certain that the industry is treated fairly and equitably in any proposals the federal government might promulgate in the energy field. You're all acquainted with the 1973-74 Arab oil embargo, and the impact that that had on some and, had it continued, would have had on other.

Now, we're fearful of any type of conservation program that would impose a weekend ban on the sale of gasoline. We're concerned of the contingency gasoline rationing plan. Joe Malec testified on that proposal, in Denver, Colorado, on August 10th of this year. There are going to be hearings probably early next year, not on the gasoline rationing plan but on the contingency conservation plan. And that's where that weekend-ban type of proposal may rear its ugly head. But we'll be working on that.

I do want to mention that recently it's been brought to my attention that there's a possibility that some games which might be games of skill will be looked upon as games of chance. And, as such, there's a federal tax that might be involved. I've only recently started to look into this, and I am not here this morning to be in a position to be able to elaborate on it at this time.

I do want to say that if necessary your Government Relations Committee would look to legislation along the lines of legislation which we've gotten in the past, where IRS attempts to expand its authority over and above the intention of Congress. If that should be the case, there'd be no hesitancy for us to seek relief.

But until we actually know the depth of the problem, we are not in a position this morning to recommend or indicate to you what the position of your Government Relations Committee will be, other than that it's alert to this problem and will take whatever steps are necessary.

I do want to indicate to you that, while I look upon this gentleman whom I'm going to mention next as a little different from our industry, I am going to have lunch next week with a gentleman in Washington who represents the gaming industry and represents all the hotels in Las Vegas in an effort to better understand the way in which IRS handles this gaming, and chance, sort of . . . and/or skill, game attacks. And we're going to look into that in the next few weeks.

Let me talk about wage and hour, because I know that's important just from the number of questions which have been submitted; I know that's extremely important to the membership.

First of all, I think you should know that an effort was made --I might add, it was a weak effort--I have no hesitancy in saying it was a weak effort--under the circumstances, it couldn't have been anything but a weak effort--and anyone who told you otherwise would be misleading you. But late in the last session of Congress, the 95th, which just terminated, Senators Tower, Morgan--Tower, who's been re-elected; Morgan of North Carolina--Stone of Florida, Hatch of Utah, and Hayakawa of California--the latter four were

not up for re-election--introduced a so-called minimum wage deferral bill in the United States Senate. Really late, a similar bill was introduced in the House.

And the Chamber of Commerce, in conjunction with a number of other business groups, met in an effort to determine what could be done about it. Well, that's why I said there's no use in misleading you. That late in the session, nothing could really be done about it. Some soundings were made. But they got us nowhere.

We were encouraged, naturally, by Federal Reserve Board Chairman Miller's statement and Secretary of the Treasury Blumenthal's statement which indicated, in one case, that he favored deferral; in the other, that deferral should be seriously considered. We were encouraged by those statements.

But, because of the lateness of the Congress--and, believe me, it was late--and also because of the fact that the two labor committees are made up of pro-labor congressmen and senators that any effort, any effort to defer or postpone, or do away with, the increases of the minimum wage really had no chance.

Now, what about this coming year? Well, as of yesterday, I talked with the retail merchants group, and they're willing to go ahead, next year; the Chamber of Commerce is willing to go ahead. So some effort will be made next year to postpone or defer the increase.

But, I can tell you right here this morning that they're not going to defer the proposed increase which is going to take effect on January 1, 1979. Because Congress doesn't get back until January 15th and they move very slowly, in the early days of any new Congress. They probably meet about two-and-a-half or three days a week, in January and February, and it isn't until they get late in the session that they go into night sessions. But that's the way the ball bounces, so you cannot look for real action in this area.

Now, what about action at all? Well, I have to tell you frankly that, again, the labor committees are probably going to be packed pretty much with pro-labor members, even though I can tell you that the AFL-CIO had a reduced batting average this year in the congressional election. They had been successful to the tune of over 70%, substantially over 70% in many instances; and they were lucky to get approximately 65% win factor in the recent November election.

So, they're going to lose some friends. They've lost some friends. I can tell you that Mark Hathaway of Maine, Haskell of Colorado . . . they've lost a number--McIntyre of New Hampshire--they've lost some good liberal friends. That's going to hurt them, especially in the Senate. And they lost a couple of fellows; they lost Blumen in Iowa and Father Cornell from Wisconsin. I wouldn't classify them as conservatives, and both of those were on the labor committee in the House.

So I don't think the union is going to be any stronger. I don't think they're going to be quite as strong. But the fact of the matter is, they still have one heck of a lot of votes.

So, with that little background, I'm saying to you that it's going to be difficult to get a deferral out of those committees.

Now, it depends on the factual situation. We've kept the administration fully informed. I don't know how many of you are acquainted with that effort of the Labor Department, back in May of 1978, to increase the wage for your executive professional and administrative employees to the tune of 46%. Now, who in this age when Mr. Carter talks to you tomorrow about 7% increases, how can one arm of that government be recommending a 46% increase?

Well, when we brought that fact to the attention of Mr. Blumenthal and the Bureau of Budget and Management and Mr. Bosworth of the wage and price stability area, we got some support.

And, as of today, at least up until now, from May to almost December--let's use "from May to December" rather than "May to November," it sounds more romantic--they haven't done a darn thing. That thing is lying in limbo. I cannot tell you that it's going to lie there forever in limbo. But the business community got up in arms over that 46% increase and threw it right back in the face of the White House. And sometimes that's the most important thing you can do.

So, there's one increase that's been postponed; at least it's been postponed from May till December.

Now, what about the deferral? Well, because of the makeup of those labor committees, I think it's going to be extremely difficult. But, if the wage spiral continues, it's entirely possible that the leadership, if they get the right support from the administration, could tack an amendment onto another bill on the House floor or the Senate floor which might give us some relief in a deferral or a postponement of the minimum wage.

But you notice my words are again rather carefully picked. Everyone says "might"--every time I use the word "might," or "may," because it's an uphill battle, to defer any minimum wage which is already on the books.

So we've got a rather bleak look at a deferral.

What is the minimum wage going to be, for those of you who are not seasonal? Some of you are seasonal and some of you are not. But those of you who are not seasonal, who do not meet the seven-months or the two-thirds test, you're going to have to face that fact under federal law. The gentleman from Wisconsin who talked to Joe and me just a few moments ago and said that not by legislation now but by executive board . . . I asked him, "Wasn't that board appointed by a legislature?" and he said, "Yes."

And this is what you should look out for in your states. I'd take my chances with the legislature because they're up for re-election every few years. But when they appoint a board, a minimum wage board, I think you're in deeper trouble. My own jurisdiction, the District of Columbia, has a minimum wage board.

And in the legislation, what they end up doing is set up a board. Usually there's one from management; there's one from labor; and, with all due respect to your educators who may be in the room, there's a liberal educator. I don't know of many educators who aren't liberal. There are a few.

But, the point is that usually the one who is appointed to that minimum wage board is a liberal educator. So you get sub-

stantial increases in the minimum wage.

It's similar--I won't say identical to Wisconsin because I don't know the exact facts. But it's similar to the Wisconsin situation, where a board now has come up with a minimum wage, and has taken away the overtime exemption completely; and there's no exemption whatever for a recreational or amusement establishment. So, as I'm told, there's no seasonal exemption in the State of Wisconsin.

Why do I mention that? Well, I simply mention that because you have to meet your state law and your federal law. And if one should exempt you and the other doesn't, then you're required to meet the test of that law that doesn't exempt you. In a nutshell, you have to meet the two tests and whichever is the tougher, really, is the one that's applicable to you. They're both applicable, but, as far as a material applicability is concerned, the tougher one is the one you're going to have to meet.

So, now I'm going to talk about the federal with that little caveat about state laws. Because the federal law is the only one that I have time to devote my time to. When you think of fifty states, it's quite a task.

So you do know you have the season exemption, 13-A-3 in the federal law. But some of you who have that exemption, may have some employees covered. I always like to tell you that because I don't like to have you come back sometime later and say you were told you were exempt. Of course you're exempt if you meet the seasonal test. But if you have some laborers, or somebody doing construction work on your property, then that laborer or construction worker is not a seasonal-type amusement or recreational-type employee.

A central office employee--now, what does that mean? Well, if you have more than one establishment, and you've got Al McDermott who's in charge of buying supplies, or whatever, for more than one establishment, I'm a central-office-type employee. I'm not employed by Establishment A or Establishment B. I'm purchasing or I'm doing something or I'm making reservations for two separate establishments. I'm not employed by a singular establishment. I'm working for both. I've always been covered, individually covered, by that Federal Fair Labor Standards Act.

These are a few exceptions that I point out to you, that those of you who might be exempt, and perhaps some of you are entirely exempt, and maybe some of you are only 90% exempt, those are two exceptions, that your employees might be covered under those circumstances.

Now, if you're not covered, you can pay whatever wage you want. You can work them whatever hour you want, except for child labor provisions. I want to put that in there.

But, anyway, let's talk for a moment about those of you who might be in larger parks, those of you who might not meet the seasonal test. What are you going to have to face? Well, you're going to have to face \$2.90 minimum an hour on January 1 of next year. I won't go into the following year increases; they're substantial. One year at a time I'm sure is sufficient to make you go home sick.

Now, in addition, if you should have a restaurant and you're taking a tip credit, up until this January 1, 1979, you could take a tip credit of up to 50% of the applicable minimum wage. You could have taken 50% of \$2.90. But as of January 1, 1979, the tip credit is reduced by 5%--note 5¢ but 5%. So you're only going to be taking 45% of \$2.90 an hour, in the case of a tipped employee.

Now, a tipped employee is one who customarily and regularly gets \$30 a month or more in tips.

But the point--and a difficult one--I want to make to you is this: if you have tipped employees, the burden of proof is upon you. And that makes it difficult under some circumstances. So, in other words, just because you have a tipped employee and you think that employee is getting 45% of the \$2.90 next year, that is insufficient. If you're investigated, you have to have some kind of evidence, almost any kind--the receipts of the establishment, the tipping patterns--will suffice. But you have to have some evidence to support your 45% tip credit if you took it. Now, if you can only support 40%, technically that's all you are permitted to take. I think that should be clear.

Now, what about the overtime? Well, again, your overtime is being reduced. Those of you who have restaurants have been permitted to work people up to 44 hours a week without paying time and a half. Now, on January 1, 1979, you're going to have to pay time and a half after 40 yours. Now, if you're seasonally exempt, forget what I'm saying for the time being at least. But, anyway, those of you who are covered, be careful with the overtime. Because actually you'll really get hit and get hit badly. They can go back two years on you. It's time and a half you'll have to pay, not just the minimum wage. Time and a half that employee's regular hourly rate of pay, for all hours worked over 40.

So, think of it for a moment, and if you're working someone 44 or 45 or 50 and you're not paying them time and a half their hourly rate, and the Labor Department comes in and goes through all your books, goes back for two years, then you'll have a substantial bill to pay.

In addition, to an exemption that you might have as a recreation, or amusement park establishment you also may be eligible for what's called a "retail or service establishment" small business. And I'm not going to go into that too deeply. But I'm going to say the dollar rate today is--if you gross less than \$275,000 a year, even though you don't meet a seasonal test, there's a retailer/service establishment exemption, which could also exempt you from the minimum wage and overtime, regardless of any amusement park or recreational establishment exemption.

Now, let me talk to you a couple of minutes about the Federal Minimum Wage Study Commission. A document has been prepared for the Minimum Wage Study Commission. And it has to do with what's called a "conglomerate." I know most of you don't think you're conglomerates, but some of these big amusement parks might well be classified as "conglomerates." And this document is an analysis of what a "conglomerate" is. No one has ever really been able to come up with a definition.

Now, why do I mention "conglomerate"? Well, I mention it because those of you who are in large parks might be involved as a conglomerate. Somebody might own the amusement and also be in

other than the recreational business. It's entirely possible then that that company could be a conglomerate.

Last year, a congressman from California--Congressman Phil Burton--wanted to cover conglomerates completely under the Wage and Hour Law. And that's been postponed. At least postponed, maybe, hopefully, permanently postponed, but at least partially postponed.

But what Congress did was to set up a commission to study conglomerates. And this is the first effort to define a "conglomerate."

Those of you who would like a copy of this paper, if you leave your name with me, I'll give it to you for late-night reading.

But, anyway, I do want to tell you that the conglomerate question is only part of the study by the Minimum Wage Study Commission.

The Minimum Wage Study Commission was set up by Congress, and they're to report back to Congress within three years unless the time is extended. One of the things they're going to study is conglomerates. I mention that because their report on conglomerates is supposed to be sent to the Congress within one year. The overall report of the Minimum Wage Study Commission is within three years.

They're having so much of a problem with the definition of "conglomerate" that they have asked the Congress now to permit them to send up their report on conglomerate at the same time that they send up their report on the other provisions in the Minimum Wage Law. That means three years.

So that gives you the picture. Within three years, this so-called "independent" commission is going to make recommendations in the minimum wage field. Two of the areas that are going to get their undivided attention is the conglomerate and our amusement and recreational establishment exemption. Because there's very little left on which they can direct their fire and recommend greater coverage. So, within three years, if not before, you will see an effort made to drastically hit our industry.

Now, unfortunately--and this is not "for sure," as I like to say, as yet--but Congressman Phil Burton may become the chairman of the Senate labor subcommittee which considers minimum wage. And, frankly, ladies and gentlemen, that is not going to be a blessing. It's not even a blessing in disguise. It's going to be a hard row to hoe because Mr. Burton just doesn't believe that anyone should be exempt, from any of these wage laws.

But, anyway, we're going to have problems. And it's just a question of time.

Now, what about the federal child labor provisions? Well, as you know, we've been trying as an industry to get some relief in this area. This is not by congressional relief, or through congressional relief; this is by administrative regulation. That means that we have appeared before the Labor Department in an attempt to extend the hours in which you can employ the younger workers. We've also tried to get relief so that when there's no school the next day that it will be looked upon as a holiday, like a Friday night, so you could use them longer hours on Friday nights.

We've been trying to liberalize some of the tough restrictions which are now imposed on so-called "child labor."

Now, you're all covered by child labor. Remember that. You may be exempt from the minimum wage, but you're covered by child labor.

So, I think we're going to get some relief. But, again, this type of thing just doesn't happen over night. Joe's already testified once before a Labor Department wage and hour session. Again, there are going to be more hearings. But, in the proposal that is going to be enunciated within the next month, we have reason to believe that a good number of our recommendations which Joe made will be included.

But I want to caution you again. It's tough being a lawyer, everything's caution--you're afraid to go out at night, even--but, anyway, let me caution you because there are going to be more hearings before this is finally promulgated. Some of the recommendations we made, we believe, are going to be in the proposals, which the Labor Department is going to publish in the Federal Register within the next month, before the end of the year.

And early next year they're going to have hearings on those proposals which will give some relief in the child labor provisions. We're going to testify again.

So, optimistically we would hope that before the summer season next year we would get some relief as far as child labor is concerned.

Now, there are a lot of caveats. As you know, the unions are opposed to this type of thing. But we have a lot of sympathy in the Department of Labor. Whether that's going to extend to the secretary of labor himself is still the big, key question.

But at such time as we appear before the Labor Department in hearing probably in January and February looking for relief, Joe is going to be in touch with you. And I hope that he'll get your undivided attention again, and that you'll correspond at that time, not with the Labor Department necessarily, but with your congressman or your senator in order to get support for that type of proposal which will then be pending. Then, if you get a minister or a rabbi or Catholic priest to support your position, that might help also.

Now, labor law reform. We're active in efforts to defeat the so-called "Labor Law Reform Bill." This was going to open up every industry in this country to greater organization by the labor unions. That was defeated only by a filibuster. I have reason to hope that we might be successful in the next Congress. This is still going to be a key issue with the labor unions. I do not think they came out as well as they have been in the Senate. It's an iffy situation, when you look at the . . . Bob Griffin in Michigan being defeated--Curtis from Nebraska--Axon is going to be other than liberal; he's going to be a conservative, or a moderate conservative, I expect, but nobody could be more conservative than Sen. Curtis was. Nor Sen. Griffin; and Griffin's being reportedly replaced by a liberal. But we're picking up a lot of conservatives.

With that little thumbnail sketch, I think a filibuster could hold again in the Senate on the type of bill that was brought be-

fore the Senate this year. So the likelihood is it will not be as pro-labor a bill as this year's bill. And then, of course, the question is then asked: Will a filibuster be successful against a so-called "market" bill? I cannot answer that this morning.

I do think we can put up a bigger fight in the House next year than we did in the past year when we were involved in other areas.

I think that gives you a wrap-up before we go to the questions that have been sent in and invite your questions from the floor. I think I should indicate to you that your Government Relations Committee is considering, and Joe has mentioned this to the officers of the board, a government relations action kit.

This would, in a brief form, give you an idea as to how a bill is enacted, and the process that it follows. And it's in a thumbnail-sketch type of effect. I think it's a very effective document. We can color it up a little bit, make it a little more appealing to your eye. You'll recognize the importance of getting a hold of your congressman and senator.

And I don't care who you have in Washington, or where you are in Washington, or if you're in Chicago or that Joe is in Nebraska, the most important thing in the legislative lobbying field is communications. And the most effective method or manner of communication is from the grass roots. You can go up there as a paid lobbyist and talk to somebody until you're blue in the face, but unless that congressman or senator has heard from the individual back home, the fellow who might contribute to his campaign or has in the past or who'll at least vote for him and maybe get others to vote for him that's the most effective way of lobbying. It's helpful to have somebody who's on the scene who knows what's going on, who can inform you, who can direct you. But if you're going to be effective, believe me, it's the fellow back home who's in the congressman or senator's district that really, really does the job.

Joe tells me they're going ahead with this government relations action kit. In a nutshell, it will give you a picture of what happens when a law is being enacted.

But, most importantly, most importantly, there'll be inserts. There'll be an explanation of these so-called "inserts." There'll be three alerts, a red alert, an orange alert, and a green alert.

And that type of alert will put you on notice of the need of your association for your help. If we're going to be successful, we're going to have to work together, live together, succeed together, and, if necessary, hang together.

But these alerts will be the key. The booklet will be a one-time thing that you can read at your leisure, but do not postpone too long in reading.

On those alerts, the red is the most important, it's like a hot line. We're in real deep trouble when you get a red. But the others will be informative. The green will be the least imperative. In a sense, it will not be asking for action that's imperative, but it'll be acquainting you with the problem, and advising you to, if your congressman or senator is home, during the Easter recess or Christmas or whenever, to get hold of him. There's no

emergency. There's no great need. But it's an important item on your government relations agenda.

And the orange will be a little more effective. The bill may be in committee, and we'll need your help. But we may direct that orange alert only to those of you who have members on that committee, whether it's the Senate or the House. There's very little need of sending an alert to somebody in Alaska to get hold of a senator from Alabama. It just does not have an impact.

In the orange-type alert, most frequently, if not forever, it will be directed at a committee. And we'll list the committee members for you. We hope you will know who represents you. That is the only problem: we have a little difficult task sometimes telling our members who represents them in Congress. But we ask you to find that out, at least--so that when the bill is in committee and we list Al McDermott from Massachusetts, you'll know Al McDermott is your congressman, or your senator. That means we're going to ask you to get hold of him on that issue. We'll explain to you what the issue is. We make it as simple as we can --what the issue is--and then we ask you, we say, "Here's what we want you to do...if you're represented on this committee." It's only about a one-page sheet. It may go over on the back side. But it's usually a one-pager. No more than one page, front and back. And we ask for your help on the orange.

Then, when it comes to the red, that's the hot one. Everybody's got to get involved. And it means that we may be going down the drain for the last time. But, of course, if you go down the drain in the House, you always have the Senate. So you have a couple of drains to go down before you finally get lost.

Now, let me go over some questions, if I may. We've got about 20 minutes to go, and I don't want to use all the questions that have been sent in to me, if there are some of you with a pressing question. Maybe we'll stop after ten minutes. Joe wants to make a remark or two, and maybe take a few questions from the floor.

I think I've pretty well covered the status of the amusement park exemption to the minimum wage and that has run through a number of these questions. I'd be happy to answer any questions from the floor on that particular point.

Now, the wage spiral against admission cost. Well, of course, we can't as an association recommend a uniform admission cost because we'd be probably violating the anti-trust laws. But we do recognize that there is a substantial increase, of course, in the wage spiral, and you have to review your admission costs from time to time.

Now, the wage and price guidelines that you're going to hear about tomorrow will give you a little bit of a feel, I'm sure on the wage spiral at least and what they look forward to in the months ahead.

Will the federal government consider a sub-minimum wage for students again? Or will we continue to hire fewer students and more adults? Well, I can tell you that, the last time they considered a student wage in the House of Representatives, it lost by one vote. And that vote was the deciding one by the speaker of the House who does not vote except to break a tie. And Speaker O'Neill of Massachusetts voted against us on the youth differential.

So it was a very close vote. It's a close issue. And my only answer to that question is that it will be considered again--there is no question about it.

But the problem is that it probably will not be brought up separately. And it gets enmeshed then in a lot of other issues in the wage and hour field. But it probably would be only at the time that the minimum wage is brought up in some form, whether it's the deferral of the minimum wage or something else. But it's only when the wage and hour bill on the minimum wage is being considered that we will probably get an opportunity to favorably consider some special wage in the youth differential area.

Now, what is our industry doing to support efforts, such as Congressman Sims', to abolish OSHA and other regulatory agencies? Well, it's pretty difficult to abolish regulatory agencies. We're supporting Congressman Sims, but he's in a minority although we have a lot of heat on OSHA. As I described to you about the drain situation a few moments ago, we're successful at some stages in curtailing OSHA's power, but then, in the final version, when it comes to that last drain, we never get anything that we think we are going to get.

And this is what happened in OSHA this year. There was some relief, and some pretty good relief in one version of the bill but it was watered down substantially in the final bill as it was enacted.

Now, what is the bottom line you have to pay in the federal wage? Well, I've told you that. This year it's been 2.65 an hour and it's 2.90 on January 1 of next year.

I answered the next question--Do federal laws supercede state laws on wages? The answer is: No. Whichever is the tougher law is the one that prevails.

Now, what about a difference in the minimum wage for food, rides, or shops?--minors and adults? Well, for students there is a provision, a certificate, you can get from the Labor Department, in the case of full-time students, which would permit you to pay only 85% of the applicable minimum wage.

As far as food is concerned, you can take a credit towards that wage that you have to pay your employee. Under certain circumstances you can take a credit for the food that employee eats, up to the reasonable cost of that food. You cannot make a profit on it.

There's no special provision that I can think of on adults.

On overtime, as I said to you a few moments ago, that reduces to 40 hours as the overtime limit beginning January 1, 1979.

Now, recourse for a cashier shortage. Well, that's a good question. What if there's a shortage in the cash box and it's attributed to the cashier? Well, the federal government, the Wage and Hour Division, takes this position--if it doesn't cut into the minimum wage, it's permitted. You can take a deduction for the loss from the cashier's desk. Otherwise, you're going to have to probably prove under your city or state law that there is actual theft involved. You're going to have to prove it on the part of that individual employee.

Now, I told you a little bit about child labor. We had a question on that. We're working on the Child Labor 3 position.

If we offer a bonus to employees who stay through Labor Day and they default, can we withhold the bonus? If they do not meet the terms of the contract, then you can withhold the bonus. I'm presuming that you've been paying them the minimum wage, again, however. You cannot do anything and violate the minimum wage law. So, if the bonus is something that's in excess of the minimum wage that you have been paying them, providing you're covered, then, if they default in their contract, you would not have to pay them that additional amount.

What about possible national safety legislation on rides and its impact? Well, I can tell you that we've checked with the House, after a not-too-far-distant Pennsylvania accident, and there was some movement by a member from Pennsylvania. But he was a conservative congressman, and he assured me that he really had no intention of trying to impose a federal law relative to the safety of rides. So I can tell you as of this morning there is no movement in that area. Of course, times do change, and only circumstances and events would dictate the future course. But as of today, or even I could tell you tomorrow, there's no design on anyone's part to enact federal safety legislation. That does not mean that some congressman sometime, somewhere, will not introduce a bill.

Now, somebody asked a question on Workman's Compensation. That's a state matter, but I do want to alert you to the fact that Sen. Williams of New Jersey and Javitz of New York would like to federalize the system. And this would even further increase the cost of Workman's Compensation. As an off-shoot of that Workman's Compensation, of course, these automatic minimum-wage increases are going to be reflected in the Workman's Compensation bill.

Now, somebody asked about Consumer Product Safety Commission and they can get into the area. They have authority to look at certain products that the consumer is interested in and, if it extends to your property, then they would be permitted, under their investigative authority to check into those items.

I think that probably answers it. Although I will say there is one tough question that's been sent to me twice, and I'm not sure I have a proper answer for it. But I do want to raise it with you--and if the party's in the room, I'm sure he'll recognize the question. I'll look into it a little further.

But the party says, "We've reached a point at which our retail sales, including all food service, is exceeding our admissions. Does this create a situation that would throw us under the Federal Minimum Wage Act?" That's a good question.

First of all, you know, I presume that they've been exempt under 13-A-3; they've been exempt under the seasonal recreational/amusement establishment exemption. But now, because their retail sales are going over the admissions, they're a little concerned. I think that's a fair question.

Frankly, I would be very low on this one. I would not get exposed. We had a recent decision for another member in this group--and I don't want to mention that property, either, unless it's proper in these groups to do this--I don't know--but, being

a lawyer, I never mention my client's game.

But, anyway, in this particular instance, I looked at it just before I left Washington yesterday. They were concerned about the volume of test and the seasonal business that they did whether their gross receipts were greater than two thirds and one third. They were looking at that. And we made a little analysis. Frankly we had some good results. The Labor Department agreed with our analysis and said that that particular property would be exempt.

The point of telling you this story is yesterday I looked at their sales and this property was cleared, under the seasonal exemption test. When I looked at the sales of this property and their restaurant sales were over 50%. They were 53%. I'm not sure. I can get an opinion from the Labor Department on this issue. But I don't know if it's the one I want to put in writing because it might hurt more than it would help.

On the other hand, I have a good friend in charge of interpretation, Paul Campbell. I had lunch with him a few weeks ago and maybe I could talk to Paul and see what he thinks on an informal basis.

But, that particular case I referred to which is in writing, which that company has been cleared by the Labor Department after an investigation, did have 53% in restaurant sales.

Now, my own layman's opinion, not as a lawyer, but my layman's opinion is, that as long as you're a recreational or amusement park establishment, and that's your primary job, I would not be too concerned. I don't know any case against you. I would not be too concerned if your sales in the retail or restaurants started to exceed 50%.

However, let's face it, if you've got one ride on I don't know how many acres and you've got an extensive restaurant business and a catering business and all those things and you've got one ride there, well, let's not try to think the government's going to say that you're an amusement or recreational establishment. But if that's been your primary history, amusement or recreation, and that's what it looks like, and even though you're getting close to that 50%, until such time as there is a case against us, I would not, I would not be too concerned.

I would like to hear from someone who's being investigated. They can do it on the Q.T. They can talk to me afterwards and I'll research it and I'll check with my people in the Labor Department if you're being investigated on this basis.

But, you see, in the amusement park establishment exemption there is no reference to retailer service. If you are an amusement or recreational establishment and you're not open for more than seven months and you meet the two-thirds-one-third test--either one of those--then you are exempt. There is no reference in 13-A-3 to retailer service.

Now, I recognize that somewhere along the line some Labor Department investigator is going to come in and say that you're really retailer service because if that's what you're primarily doing, is retailer service, then you're not an amusement park. But as long as you qualify as an amusement park, I think we have a good leg to stand on.

Now, that doesn't give you the clear-cut answer you want. But, whoever wrote that question, if you're in the room, and would like to talk to me afterwards, I'd like to pursue it a little more. Thank you.

... The workshop was concluded at 10 a.m. ...

EMPLOYEE WAGES, INCENTIVES, BONUSES

THURSDAY, NOVEMBER 16, 1978

SALON E

The Employee Wages, Incentives, Bonuses Workshop convened at 8:45 a.m., David Girton, Santa Claus Land, Santa Claus, IN presiding.

CHAIRMAN GIRTON: Ladies and gentlemen, I welcome you to this Thursday morning breakfast session that will be dealing with employee wages, incentives and bonuses. I trust that everybody will be willing to share this morning. I know that all of us are anxious to hear about what's happening in other facilities.

I am Dave Girton, and I am from Santa Claus Land in Santa Claus, Indiana. Back at our home facility we are always eager and enthusiastic about finding and documenting new concepts, or trying to, as I'm sure you are, rejuvenate the older ones with hopefully a new and innovative twist. I believe that I am correct in saying that as we talk about the employees this morning, we are indeed directing our questions and our thoughts to seasonal employees. And when I say seasonal employees, I do expect that I am referring to high school and college age for all of us. Am I correct in this assumption?

VOICES: No. Senior citizens.

CHAIRMAN GIRTON: How many deal with senior citizens?

(Show of hands.)

CHAIRMAN GIRTON: I know that we don't have the problems dealing with senior citizens as we would with high school and college age students. I have never dealt with senior citizens, so I would suppose that they would be a little kinder in their employee habits. At any rate, these young people feel that they must be dealt with in an adult fashion, and if they're not treated with the proper wage and decent incentives, I think we lose them. However, I think that we need to be seeking towards creative ideas, and that's indeed why we're here this morning, to share together.

It is now my pleasure to introduce to you our distinguished panel participants. They will be sharing their ideas as to what is happening in their establishments.

First of all, from Hamel's Park in Shreveport, Louisiana, I introduce Mr. Milt Hamel.

MR. HAMEL: I want to mention in the last ten years we've spent a lot of time worrying about wages, bonuses and incentives and how you could utilize them to get the most from your employees. After ten years of worrying about it, we have just about come to the conclusion that it has very little bearing on the quality of work that

you get from your employees. We feel right now that if you have an outstanding employee, no matter what you pay or no matter what the arrangement is, that he is going to do an outstanding job. If you don't compensate properly, you end up losing some of your better employees. We think that a certain employee turnover in the park is very good for our park as long as we lose the right people and are able to keep the right people.

Last year we got into the incentive program. We tried to implement an incentive program that will teach our employees how to do a better job, teach them to deal with our customers better. Last year we put in an incentive program that we thought had tremendous potential. It turned out we made a lot of mistakes with it. We refined it this year, and we think it's one of the finest incentive programs that we have dealt with.

First I'll start off and tell you what we did last year and what went wrong with it. What we did is we put in a steak and beans dinner. We divided our employees into two groups, and we were going to have a contest that was going to last for a month. We don't like to do any contests over a month because it has a tendency to get stale. We had special guests to go around our park every day, and they would grade the two groups with regard to cleanliness and friendliness to the customers. Every day we would have a winner, and at the end of a month's time, the winning team was taken to the most exclusive restaurant in Shreveport. It was very expensive. The losing team went also. But instead of a shrimp combination plate, they got a big plate of baked beans. Let me say this. In this contest, it's very important to have good baked beans.

First of all, let me tell you the problem with the food. I didn't check the prices before we made the plans. We furnished the beans, but it cost on the average a little over \$25 an employee, including the ones who ate beans.

The main problem we had with the contest was for the first week, I would be willing to say that we had the cleanest park in the world. After the first week, we lost some of our enthusiasm for the contest, and we went around and talked to the employees to find out why, and the problem was that they did such an outstanding job of keeping the park clean that it became a negative type thing. They were doing an outstanding job, but nobody was saying, "Well, you're doing an outstanding job." They were doing an outstanding job, but they were only being told when they did something negative.

The following year, last year, we refined it, and we said, number one, it's not important to take them to a restaurant and spend \$25 per person. We took them to a less expensive restaurant, where they started off with a shrimp cocktail and a salad, and the winning team got a steak. The losing team got the same thing, except they got beans and rice, which was delicious. As a matter of fact, it was so good that some of the people who had steak traded it for the beans and rice. They know that if they go out and work hard for a month's time, they're going to end up with like a five or six dollar meal. They know that on an hourly basis it's not worth it. But it has to be a wholesome, competitive situation, where like it's not money grubbing, but it's like they're on a team. They don't want to let their team down. Done properly it can be tremendously successful.

The following year we decided we were going to make it a very

positive contest, and we gave out little cards with gold stars on them to our customers who came into the park. We explained on the card that if you see an employee doing a particularly outstanding job, give them this gold star. The customer loved doing this. It was like tipping somebody, yet it didn't cost them anything. Matter of fact, a lot of customers would come back and ask for a second one. They saw somebody who did an outstanding job, and then they saw someone else, and they wanted to give another one. It was very popular with our customers. It was very popular with our employees, and we felt that it taught them a tremendous amount, because all of a sudden they were getting rewarded for what was important to the customer rather than what was important to us. And in truth, what was really important to us was what was important to the customer.

The steak and bean dinner was a tremendously successful contest. We let the employees divide up into teams. They ended up picking the girls against the boys. For a month they were rewarded. Every time they did something good, somebody was telling them, and they learned an awful lot about the amusement park business and how to please people. Thank you.

CHAIRMAN GIRTON: From Christus Gardens in Gatlinburg, Tennessee, Hi Brown.

MR. BROWN: Thank you, Dave. Christus Gardens is a relatively small operation. Our maximum employee work force at any time during the year is about 20 people, and while we are open all year round, we are essentially a seasonal operation because of the seasonal nature of Gatlinburg. All of our employees actually are considered to be seasonal. In spite of this, I have one employee who will be returning next spring from her winter in Florida for her 14th year with us. We're kind of proud of that kind of employee loyalty. Five of the maximum twenty this year will have completed ten years with us. Since more than 75% of our volume of business is done within approximately a five month season, we would qualify under existing laws to pay less than minimum wages, but we don't do that, and we consider this as a part of our employee incentive program. We've been open for just over 18 years now, and the first few years we didn't have a great deal of competition in the labor market. We were the first so-called major attraction to locate in Gatlinburg, outside of the Great Smoky Mountains National Park. In those first few years we didn't have to compete very aggressively for good people.

I want to talk just briefly about four facets of our employee incentive program, which first and foremost is wages, and I've already mentioned that our base pay is a little better than minimum. I explained how it gets inflated. We have a vacation plan, and each employee gets a stipulated number of weeks of vacation, now a maximum of two weeks after five years. Probably the most attractive of our employee incentive programs is our profit sharing program. As I mentioned earlier, during the busiest part of our season, our effective hourly wage actually goes up. We do this by reducing the number of hours scheduled when we go to a two shift operation during the height of the summer season. An employee's hours are automatically reduced, and we feel that this is important because it helps save the employee. They're on their feet a great deal of time. We have hard terrazzo floors in the building in which they work, and therefore we think that it pays off. But we continue their weekly wage based on 40 hours. Thus if the employee was making just the minimum wage, or about \$3.00 an hour

for 40 yours, then when that schedule is reduced to 35 hours, the effective hourly wage automatically goes up to 3.42. This is probably the single greatest influence on employee morale, and I'm proud to say that the good morale does pay off in the impression that the visitor to Christus Gardens gets. Hardly a week goes by that I don't get one or more letters of commendation, either referring to the entire staff or some particular individual who has gone above and beyond the call of duty.

Being small, it's possible to have personal conferences with each of our employees. I don't think this would be prohibitive even in a larger organization, where you could be more departmentalized and make the responsibility for the personal personnel conferences and contacts the responsibility of the individual department head or section leader or however you refer to them.

The two other employee policies which have helped to encourage longevity with us are our vacations. It's formalized, but rather simple and clear-cut in that the employee during the first year does not get any vacation credit at all, but beginning the second year of employment gets a week, and after five years they get two weeks. We haven't seen any need thus far to increase this, but as I mentioned earlier we have one employee who will be beginning her 14th year next year, and we may see the wisdom of increasing the amount of vacation time at some point in the future.

Our profit sharing plan is a good one, in spite of the fact that it's a little bit less obvious to the employee and a little bit harder to explain to them, because they're not seeing it in their weekly check. Please don't pin me down to any specific details of the plan. I can tell you generally how it works. I'm looking forward to age 65, when I can reap the full benefits of it personally, and I know that most of our employees are well aware of the profit sharing plan and look forward to the season statement from the bank trust department that handles it. Basically 15% of the payroll or earned wages for the year is put into an irrevocable trust, and the employee at the end of the first year does not participate. Beginning at the end of the second year of employment, 15% of whatever is earned during that year by that employee is put into the trust fund, and at the end of the third year, vested interest begins at 30% and increases 10% each year, until after 10 years of participation the employee is fully vested 100%. If they were to quit or be fired or die, their heirs would reap the benefits of that vested interest, whatever percentage they had in it at that time. It's been in existence now for ten years and we do have an employee who's fully vested. We've had a couple during that time who have left us and exercised their option to withdraw their profit sharing. I highly recommend it to you. It amounts to a good incentive program, we think, and it gets paid off in the longevity of our employees. I've hired only one new employee in the last two years, and she is going to stay with us, I think, a long time. By the way, I think she's the youngest employee we have. She's got a lot of years to go in the profit sharing plan.

The other facet of our incentive program is in terms of bonuses, and it's not something we guarantee to the employee, although historically we have made a bonus every year. We have a formula that we sort of keep to ourselves as to how we arrive at the amount paid. It is not significant. It is a relatively small amount of money, but I think you'd find the results of it surprising, and the anticipation that goes along with it. We begin the first year of employment with a \$50 bonus at the end of the season,

and if the employee has been faithful in attendance and worked the entire season, we consider 24 weeks a full-time employee for a season, they get \$50. That goes up \$25 each year, and by simple arithmetic, the girl that's been there 13 years gets \$300, \$325 each year. That's what it amounts to.

It's a four phase program, along with some other little niceties that we throw in. Early this morning, I talked to some people, and the question was about an employee incentive that doesn't reduce the dollars and cents. Well, there are a lot of little nice things. We do a few of them. We'd like to do more, and I think as time goes on, I'll try to institute some more, like remembering birthdays. We don't give anything really big--no money--but a little gift and a birthday card, and the employees appreciate it, and they keep coming back to us year after year. I've enjoyed being with you this morning.

CHAIRMAN GIRTON: From Whalom Park Amusement Company in Fitchburg, Massachusetts, I give to you Mr. Will Fregeau.

MR. FREGEAU: We're a small park in the northeast, near Boston, Massachusetts, and we employ approximately 150 employees. We have tried various incentive plans as well, and probably we didn't do them right because they didn't work for us. However, I would like to run down a few things that we do for our employees and hope that we'll be able to get something out of it.

Whalom starts its season off with an indoctrination period for all its employees. We have these at luncheons, where both old and new employees are introduced to Whalom Park, its officials and their fellow employees. As I said, we make it at lunchtime, and it immediately creates an atmosphere where everyone may mix together and start establishing a spirit of camaraderie and a work together atmosphere. These sessions are held at least three times a year. In these meetings we take up all our rules and regulations and other things that are necessary for a successful operation of an amusement facility. We find that keeping the lines of communication open between the employees and management has become a very, very important part of good employee relations. As the facility becomes larger and has more employees, it becomes harder to keep up the good communications. It has been our experience in the last two years that having a young executive as a personnel director has allowed us the luxury of better communication, especially between the younger college and high school students. He also acts as a buffer between the general manager and the employees. However, we never try to be too busy that we cannot give the individual the time that he deserves or that he needs if he has a problem.

We have established something new at our amusement park the last two or three years. We close the park entirely on Mondays, naturally except for holidays, and by doing this we have given our employees an opportunity to do some social things together, whether it be camping, mountain climbing, or picnics at the beach. It just seems that they wait for this day of togetherness. It is also good for us, as it gives a full maintenance day on our rides, and we do not necessarily, of course, have to go out and get extra employees to fill their normal days off because they have a common day off. Another thing that this Monday closing does for us is it gives us the opportunity to sponsor a trip to another amusement park for all of our employees, other than maintenance, office and supervisory personnel. Buses are ordered, and usually a hundred or more

employees are on their way to a day of fun and companionship. Our New England parks have always been very hospitable to us and to our employees, and they make sure that all of our employees have a great time. The buses are usually back from their trip by six or seven in the evening, and then of course everyone has a night on their own. The benefits of this are that the employees are not only able to compare Whalom's operation with that of the host park, but also get a patron's eye view of how they themselves might look when they are working back at Whalom. Park employees have indicated that this is one of the benefits that they look forward to most during the season. Maintenance, grounds and office crews, who by the nature of their work are not allowed to go on this trip, are taken to a deluxe night out on the town by the company, usually to a restaurant or a nightclub of their choice.

Another function that the troops look forward to is the big end of the season bash where they are treated to a complete evening of fun, starting with a deluxe dinner, dancing, entertainment, gifts and so on. It is our way of saying thanks to them for a job well done. Most of our employees appreciate what we try to do for them, but as you all well know, no matter what you do, there will always be those who think you can do a lot more. These are some of the benefits that Whalom has to offer its employees, and we feel that they are well worth the effort. Thank you for your time.

CHAIRMAN GIRTON: Mr. Doug Butchart comes to us from Tom Thumb, Incorporated in Fish Creek, Wisconsin.

MR. BUTCHART: Fish Creek is a vacation destination on the thumb that goes out into Lake Michigan. We are the only amusement park in the area. Today we are to talk about wages, incentives and bonuses. We are controlled by state minimum wage, excluding salaried employees. It doesn't seem to make much difference if you have a lower minimum wage than the federal minimum wage because you're competing in a market today where kids can go to a paper mill and make four and five dollars an hour loading boxcars, so you have a very difficult labor situation. Our community is 106 people. Housing is a major problem for kids coming into our area. We have to hire all of our kids practically from out of the area. They either have resort homes up there or their families have homes or we provide housing which is very nominal. We don't have a lot of housing, but we did purchase an apartment building to accommodate some of our employees.

Bonuses have not worked for us. We've tried it. We've tried per hour bonuses, all kinds of things, and they just don't work. I can't give you a reason why. Three years ago we introduced a program where the kids who we thought were better than average could earn a trip to this convention. We brought down, I believe, eight kids, and they had a great time. They learned a lot. Last year we brought one, and it was on a merit system. This year I have five here, and these are the kids who do an outstanding job, that do that little bit extra to make their park a little bit nicer for the guests, and that's the most important thing. It's our job to make the parks nicer for the guests, and we feel these kids who put out that little bit of extra effort deserve the trip. We hope that they learn something from it, and when they come back with us next year that they'll do an even better job that will transmit to the newer kids that are coming in. Thank you very much.

CHAIRMAN GIRTON: Well, we've heard from the south and the east, the midwest, and now we'll go out by the sea. From Santa Cruz Sea-

side in Santa Cruz, California, we'll hear from Charles Canfield.

MR. CANFIELD: Thank you very much. Our park is roughly a medium size park. We employ about 450 people, and I'm glad to hear that other people have problems with bonuses. They don't work for us either. In the past, I guess, ten years in our park we have had some union problems. We've had two elections. They were defeated. And this last year we took a good look at why these elections took place, and one is wages, and the other is communications. Last year we decided to raise our base pay from the minimum of \$1.50. This last year the minimum wage in California was \$1.65, and we decided to pay 10¢ over that, and it had a great effect, because the young people working for us said, "Well, we're working for a cheap minimum wage company." And an extra dime made quite a difference for us. We had no problems this last year with any unions coming in. The employees appreciated being paid over the minimum.

The other part of it was that communication was a bugaboo with us, so this last year our personnel department said let's try something new. We set up an employee council in each area of our amusement park. Our rides were split into two groups with two representatives. We had two young people from each of those areas. Our parking lots were split into another area, and we had representatives from those areas. It was amazing the input that we got. It was the employee talking directly to management. Myself and our general manager, Dana Morgan, would sit down two hours before the park opened and we would just discuss things that were bothering the young people. It was incredible the things that bothered people were usually the little ones. And going directly to Dana and myself, we were able to go right back, take care of a lot of the problems that these young people had, and I think the communications in our company really had a great improvement.

The other part of our program that we worked on was we staged an athletic event copied after the NBC Olympics, and we ran that twice a week for six weeks. We got roughly 150 to 160 employees involved in this with everything from volleyball tournaments to tug of wars to relay races, and it really brought our young people and management together. I think with these few things it really improved our overall operation. Thank you.

CHAIRMAN GIRTON: From Beach Bend Park in Bowling Green, Kentucky, Mr. Bill Johnson.

MR. JOHNSON: Thank you, David. You know I feel just a little bit like a rookie pitching in the World Series. I've been in the park business now for about five months. I need to be out there asking questions rather than up here trying to answer them. But we did have several things this past season that I'd like to share with you. Maybe we can both learn a little bit.

I think in order to discuss the park's successes and failures, you've got to know just a little bit about the park and our labor environment. We are in a city of about 45,000 to 50,000 people. It's a college town. The college has about 12,000 people, students, during the winter months. During the summer months it drops to about half of that. The college students there during the summertime are primarily teachers that are there working on extended degrees, so we really don't get a whole lot of participation as far as labor from our university. One of the things that I think that we should do and probably will be doing this next year is try to

recruit a little bit harder at the university. I think a lot of the students that are going home during the summer would stay if they had a job available to them there in the community. I think it's one of those which comes first, the chickens or the egg kind of question. Do they go home because they don't have a job, or did we not go and try to recruit them, and that's why they went home. So it's part of the labor market. The minimum wage, of course, is \$2.65, and that's what the majority of the restaurants and stores around the community pay. We're under a state minimum wage of \$2.00 an hour, which is a considerable drop from the federal minimum wage. Sometimes you might think, "Well, that would be a great thing to have a \$2.00 minimum wage," but what that does to you is that all the other stores, all the other restaurants get the cream of the crop, and you're left with what's left. You just simply don't get the choice employees. In order to try to combat this in the past, we have gone to a system where we've allowed the good employees to go ahead and work as many hours as they'd like, to go ahead and try to pay them the overtime so that they can make a comparable amount. Obviously what that does is just raise your effective wage rate. I think probably in the future what we will do is go to a higher wage rate initially; that way try to be more competitive in the labor market, try to get a little bit higher quality individual.

One of the things, too, that we have to be careful of in pursuing this kind of approach is to make sure that we do get those better employees, make sure that we do get higher productivity. Obviously if we go out and start paying more and still get the same employees and get a lower productivity, then all it's doing is costing us more and we're not getting the kind of results that we want.

We had two extra compensation programs this past year. One was a situation where every Monday night we'd have a poolside swim party and ice cream supper, and it was something that all of the kids really enjoyed. There was limited participation simply because after a long, hard day, a lot of kids just wanted to go home, but the kids that did go thoroughly enjoyed it.

The second program, which was similar to the gold star program, was called a hospy program. We gave certain selected park guests when they came through the gate a card which had a little fuzz ball on it and it was called a Hospy, and these park guests were to go around through the park and give those Hospies to park employees who did an outstanding job and tried to provide that extra little bit of hospitality to those park guests. It's not a new program. It was not as successful, I think, simply because we started it late in the season, and I don't think we really got into the meat of the program or explained it, made it sound as important to our employees as it really was. If we don't make those programs sound important to them, they're not going to consider them important, and therefore they're not going to be as sincere about it. Next year, again, we're planning on doing a little bit better job of the kind of programs we already have started, with the Hospy program, of course, and weekend parties. I'm almost scared to say this after hearing all the problems that everyone has with bonus plans, but we're thinking of going to a bonus plan. We're going to divide our bonus up into two bonuses; one in mid-season and one at the end of the season. Again, these kind of programs are aimed toward retention of employees. We'd like to have everybody stay with us through at least the 4th of July, and we're going to try to give maybe a 15¢ per hour bonus after mid-season,

after the 4th of July, and then possibly another larger bonus at the end of the season, again to make sure that we get people to stay on. The reason that we started to go toward a dual bonus system is the immediacy of compensation. If you dangle that carrot out there a little bit closer to their nose after the middle of the season, then they have a little bit more credibility in the program and they feel like, yes, they are going to provide the bonus; look at this check that I got, a little bit extra compensation. Look how much more it will be if I stay until the end of the season. So I think it has some features that possibly will make it a success. And, like I say, we plan to increase our wage rate and offset this cost by reducing our overtime. It may not reduce our overall pay cost, but again we hope it will increase the caliber of our employees and increase our productivity.

I think a problem that is not common to a lot of places is not the marginal cost per employee. It's not that that is too high. It's just the marginal productivity of our employees, and if the different kinds of programs do not address themselves to that specific problem, an increase in productivity, then I just don't feel like these programs are going to be successful. At least we will not consider them successful.

One last point. Again, not being that familiar with the industry, I'm not really sure what kind of work week this industry probably works on. I'm sure most everyone works on a five day work week, sometimes six and sometimes seven. Next year we would like to try to work on a four day work week and really push this idea to at least the college kids and high school kids. Let them get the 40 hours in, 10 hours a day, four days a week. I think this will do two things for us: one, for high school kids, they are off during the summer, and summer vacation is supposed to be a vacation. I think we can go to a high school and say, "Look, you can work. You can get your 40 hours in in four days. That will give you three days off to play and enjoy yourself during the summer." That's part of what summer's for. I think we can go to a four day work week. It gives them another day if they want to go out and pick up extra jobs to help with some income, things of this nature. I think we can provide for things again in that respect for them. Thank you.

MR. PRITCHARD: I am Dale Pritchard from Portland, Oregon. I have a question for Mr. Hamel. With your gold stars, did you have any enterprising employee go to the customers as they were coming in and say, "Did you give me the gold star? You're supposed to do that on the first ride." And so one guy collects them all and gets his bonus.

MR. HAMEL: For this thing to work there are certain rules that you have to use, and one of them is that when the gold stars go out, don't select your customers and send them out one at a time during the day. That's a terrible thing to do to a customer. The first thing that would happen is we would have a sweeper that would go out and sweep in front of them as they would go down the midway. They didn't run across any pebble. They didn't run across anything. If in 15 or 20 minutes of sweeping the path for them if they wouldn't get the gold star, then they would pass on to the other males or the other females, and people would swarm on them and talk to them, and they thought we had the friendliest park around. But if you put these gold stars out, when you open up, or maybe when you open at some other time during the day, because if you send those poor customers out one at a time, they're in for it.

Let me mention another couple of things. If you do it, there are a couple of other things that are important. One is the coupons. They are weighted, and like our coupons, the ones we put out the first week were worth one point. The second week they were worth one point. The third week they were worth two points, so that week if they got a gold star, it was worth as much really as the first two. And the fourth week, they were worth three, so they were almost worth as much as the rest of the time. And then the last day I think we put out about twice as many coupons so that nobody got so far ahead that the other team couldn't catch up.

MR. PRITCHARD: I have one more question to throw out to anybody here. Has anybody tried a rotation system as far as days off with the employees? In other words, work five and a half days, six days, have two days off, so that their days off would rotate? And if so, was it successful?

MR. BROWN: We have tried that, and it didn't work for us, and that's not to say that it could not work or wouldn't work for other people. Another part of our employee incentive program is in scheduling and trying to take into account those particular or unique needs of the individual employee, and there are certain people that just have to have a certain day off a week for justifiable good reasons, and so we discarded the plan early, after a couple of months of trial. For instance, we had one Seventh Day Adventist who just simply refused to work on Saturday, and we respected that and scheduled her day off as Saturday every week. Again, I think it might work if you didn't encounter too much of that kind of individual need.

CHAIRMAN GIRTON: We tried that in the entertainment field at Santa Claus, and it did work for us. We did it on a basis of working six days and off one, six and off, and then when it came to the weekend, if you had Sunday off, you also had Monday of the following week, so they could indeed have two days together, and that has worked very well for us at Santa Claus in the entertainment field.

MR. SIMMONS: Warren Simmons, San Francisco. I'd like to know the experience any of you had had on games, having a minimum wage against a percentage of the gross. Has this been tried, and what kind of success have you had?

CHAIRMAN GIRTON: I believe no one here on the panel has an answer for that question. Anyone from the floor, please that has a game operation.

MR. OSTROW: I had both. My name's Maynard Ostrow. I've operated games at various fairs and carnivals and different parks and Circus Circus in Las Vegas and Reno, Nevada, and that was my first real experience with strictly dollar per hour. We pay minimum. We run into a lot of problems that you've talked about, because we're like the lowest paying department in the hotel. I started when I was about 13 years old, and running a game is like running a business. I think that's really a great place for kids, because they do inventory, cash control, and sales. They do just about everything running their own business, and it's really hard for me to answer that question, because I always thought that the percentage was the best way. I guess sometimes dollar motivation isn't the sole thing. I remember being at the New York World's Fair, where there was a fellow who was paying by the hour, and our employees were making two or three times as much, but his employees

always seemed to be the better working employees. So one thing we do is merit raises. I feel that if one guy's taking a hundred dollars more than the guy next to him, he's entitled to make a little bit more money, so we constantly do raise people. In our own operations where we're concessionaires, we still do pay percentages, and we get good employees and bad employees. So it's hard to say. I've been thinking more about doing some of the nicer things for employees. There's a whole sub-culture that goes on that management never knows about. You could be there 20 years and you'd never know what's going on.

CHAIRMAN GIRTON: Communications is indeed a great problem. As you were saying with this program, sweepers always get the attention of the guest one way or the other because that broom is a vital tool.

In our park we have a phone communication problem. I know when I step out of the office to just make a routine walk-through, indeed the other end of the park knows I'm coming way before I get there. We're sitting on a great deal of acreage, so I go all the way around the park sometimes and come back through the trails and everything else, but evidently the jungle monkeys must know that I'm coming.

MR. HAMEL: A couple of the nicest sets of games I'm familiar with is Cedar Point and also the Marriott parks; that is an example of two extremely successful parks that have the opposite philosophy. At Cedar Point I believe they pay them on a percentage, and they are very, very successful with that. I've heard a little criticism at some times that maybe some of the people were over-energetic and maybe hawked a little stronger than some people feel is good for a park operation as opposed to a carnival. At Marriott, they pay their employees, I believe, based on a salary, and they feel that they have some outstanding operators. They feel that their per capita is one of the strongest in the industry. But I've seen people that have run some of the most successful games, and I've seen them go both ways, and both of them felt very strongly that theirs was the answer. So I don't really think there is an answer to that question. It's just what works for you.

CHAIRMAN GIRTON: It boils down really to how you want to motivate folks and how they respond to this kind of motivation, whether it be, financially or just a real excited management program. Does that answer your question, sir? Any other comments, please, or questions. Tell us what works for you in your park. Does someone have a dynamic program of incentives that works in your park? Here before you is a listing that came back from a survey that was taken from among amusement parks. 378, 95 in, 25% return, so I'm not sure exactly of the reliability of all comments, but it gives you some kind of an idea about pay scales absolutely. But what about your incentive programs? Does someone have a different type of incentive program that works for you?

MR. RIZZANO: Tony Rizzano from Casino Amusements in Seaside. When we first moved to Seaside our minimum wage was \$1.25. It was about seven years ago, which was kind of low. When we first started out, we would start all our new employees at \$1.25 and inform them if they worked well for two weeks they would go to \$1.50, and then three weeks after that we would raise them to \$1.60, \$1.65, just about up to \$2.00, which was the tops we would pay. But then as the minimum wage had caught up to \$2.00 an hour, we sort of scrapped the whole idea. Now we're sort of getting back into it. We're

up to \$2.50 an hour now. Next year we go to \$2.70, and we're paying anywhere between \$2.50 and \$3.00, so next year we're going to have to go between \$2.70 and \$3.50, and it seems to help a little bit, because the employee knows that after the first two weeks of working he's going to go from \$2.50 to \$2.75, and then to \$2.85, \$2.90 and \$3.00 an hour, and usually the \$3.00 an hour is sort of around August, close to the end of the season. If they don't perform well, we just don't give them the raise. And they come to us and ask us, "Well, I was supposed to get a raise this week."

And I say, "Well, you didn't work good this week." I say, "If you work good next week, you'll get it." And that sort of seemed to help a bit.

We also do the wage against percentage of an operation, and it has its good points and its bad points, because we leave an individual in charge of the operation. Now, they're in charge of hiring their own help, with our approval. They'll find somebody. They normally need a helper, because they're working a minimum of a twelve hour day, seven days a week, and we don't really want them to work twelve hours a day, seven days a week. Eight hours is enough. But what happens is when they have the power to hire somebody, they get lax. They get that other person in longer than they're working, and the other person is making more money than they are, and making money for them so that they can collect a percentage at the end of the season. So it does have its good and bad points.

CHAIRMAN GIRTON: When you get to the \$3.00 mark, do you find any deficiency in the labor habits of the employees, even though it's near the end of the season? Does it fall?

MR. RIZZANO: No. It stays up there. They stay with it there. They're good employees, and the work habits don't get sluggish. When we do find somebody that starts to get sluggish, we fire them, and we start all over with a new employee.

CHAIRMAN GIRTON: I don't believe that's a fresh approach.

A VOICE: Does your percentage vary, and how do you establish a percentage for your games?

MR. RIZZANO: Well, on a new game we don't work percentage, because we want to find out what it's going to do before we work a percentage. We want to find out what the payroll and stock is, and how it's going to work out. But on the existing games that we do have in operations, we know what they're going to take and we know how much the payroll's going to be, and by giving the individuals \$3.00 an hour against 20%, we don't throw the stock and everything else in it, because then the bookkeeping gets too erratic. You spend more time in the office trying to figure it out than we do on the floor. We know that an employee will make, say, \$3,000 for that year, and 20% comes to maybe 35 or \$3,800 for that particular operation, so we know that they can earn anywhere between, say, an extra \$250 to an \$800 a year bonus. But for some reason they slack off, then they don't get the bonus. Naturally, we lose a little money on the operation, but the worker doesn't get it. But the following year, when they're back in the same operation, they're going to work a lot harder to get that bonus, and then we sit down and give them the breakdown of the show when they're off, and during the season if we see that they're slacking off, we notify them. If they're not working hard enough and they're letting their other

workers do most of the work, we tell them, "You're supposed to be operating the game. Don't let Jimmy Jones do it for you." But we also make him responsible for cleaning it, and stocking it. They have to come in earlier. If the help doesn't show up, they better be there, and we do have a little housing, which helps us, because if the worker doesn't show up, we can just go over to the house, wake him up, throw him out of bed and say, "Get to work."

CHAIRMAN GIRTON: That's an interesting point. How many of you have in your facilities housing units for your employees?

I'm interested in knowing is that incentive to an employee, to be able to have a housing unit? Do you just provide that for them and they pay up?

MR. HOLLINGWOOD: My name is Dick Hollingwood with Cedar Point. We have a little unusual situation in that we hire approximately 3,300 employees each summer, and we anticipate this next summer we'll house 2,000 of them. We have our own dormitories and apartment complex. They do pay for it. The dormitories this last summer cost them 15¢ an hour per hour worked, up to a maximum of \$7.20 a week. For that they get all the linens and bedding and everything else provided. The apartments, which have kitchen facilities and so forth, are a little higher than that. But in view of the large staff that we have, we're compelled to have housing. We can't staff that large a facility with the population in the surrounding area.

CHAIRMAN GIRTON: Do you have problems inside the housing units? Do you have house mothers or house fathers or whatever? I know that we were talking about building this kind of thing, but I did not want to do it because as personnel director I would have been house father.

MR. HOLLINGWOOD: I won't say they were totally void of problems, but they're minimal. We find that we've had to readjust our policy really to correspond more or less to what area colleges do in their dormitories, and they were more liberal than we were on regulations, visitation and so forth, and we have relaxed some of our policies because of that. Frankly, we have very, very few problems.

CHAIRMAN GIRTON: Thank you very much.

MR. BUTCHART: As I said earlier, we do provide some housing to our employees at nominal cost, and it's expensive in a resort area. Housing is very expensive. A cottage in our area for three or four kids to rent could run \$300 or \$400 a week, and they can't afford it. It's one of our ways of providing ourselves with employees and making sure that some of the kids that we hire out of the area do have a place to stay. We do clarify it with their parents that there are regulations and rules. We have provided housing in an unsupervised building that we bought. It was totally unsatisfactory. Believe me, it was a disaster. You have to have on-site supervision--at least periodically going in and checking. But it was a disaster when we didn't have supervised housing.

A VOICE: Would you clarify the population in the town is 106 in the winter, not in the summer?

MR. BUTCHART: I'll explain that. Our population is 106 in the winter and about 35 to 40,000 in the summer.

MR. RIZZANO: On our housing, we only have one unit, and originally we used to rent it, and we used to give the rooms away for nothing. We didn't charge our employees for it, and most of them are senior citizens who live maybe in the surrounding communities, but it was an hour's drive down. We did have a few young people that we would house. Our mistake was buying the house: maintaining against owning it was getting too close together. When we bought it, our accountant informed us that now we have to charge rent, because we have to have a purpose of owning this house. We don't have to make money on it, but we have to have the purpose, so we charge a minimal rent of \$10 a week. We found out that the older people living in the same house with the youngsters keeps the youngsters in check. And since we do have men working 24 hours a day, if they have locked themselves out, somebody can always let them in. There's a little bit of friction between the age groups of the senior citizens and the young kids, but it's also a check.

CHAIRMAN GIRTON: Are there any incentives for senior citizens that you provide for your employees that we've not talked about?

MR. WHITE: Jack White from the Wax Museum in Grand Prairie. I don't know that it's an incentive, but we have some problems with them working too much. They're on Social Security, and they've got a maximum they can earn. So to compensate that, senior citizens we hire are like security guards. We'll provide them with a uniform or something where it doesn't come as compensation to them.

MR. JOHNSON: We get quite a bit of our labor from senior citizens that come up to Kentucky to spend the summer working and enjoying themselves, and during the winter they go to Florida and work in a park down there where it's open all year round. What we do is provide them with campsites with hook-ups and everything else for \$1.00 a day, which is very reasonable for them to find a place to live for three months during the year. I think that's a very good incentive, especially for them, that we don't pay off in direct compensation.

MR. DIXON: My name's John Dixon from Wisconsin Dells. We've been going to senior citizens because they're available both early in the season, in the spring, and late in the fall when the college kids are back in school. It's not a direct compensation from the employer, but they do qualify for unemployment compensation along with their Social Security. Funny that the 75 and 80 year old workers can stand eight hours a day, six days a week. Some of them want to work seven. I don't let them. As soon as we hire a young fellow, he's standing on the floor 18 minutes and he's up with his shoulder on the machine or something. As far as senior citizens, we have to give them absolutely no incentive to work, other than we were willing to give them the job, and they're always there, usually a half hour or an hour earlier.

CHAIRMAN GIRTON: Any other questions or comments? Yes, sir.

MR. MILLER: Ted Miller from Bowcraft Amusement Park in Scotch Plains, New Jersey. We adopted some of the things that we heard at the seminars on our park, and it's impossible to get our employees together on the weekdays. So we have had what we call a midnight buffet on Sunday evenings after the park is closed, and this gets underway at about 11:00 or 11:30, and we put a spread of hot foods out for them, homemade pie, soft drinks. They bring

their own beer if they want it. And while the park is closing and we're getting things set up, they go out and ride whatever rides they would like and have a great time among themselves. Then they come back and partake of the food, and then we give them as many quarters as they would like to go and play the arcade games until 2:00 o'clock in the morning. We insist that they not make a lot of noise so that our neighbors close by will not be complaining. This works extremely well. We started it on a once a month basis this past season, and it worked so well that we had one every two weeks throughout the season. This was a direct result of looking in on seminars here and trying to put together something for our park that would work for us.

CHAIRMAN GIRTON: Do some of the employees go home with more quarters than they came with?

MR. MILLER: Last year on the second midnight buffet that we had, we gave out \$200 in quarters, and we got \$140 back. So this year's first midnight buffet, I said, "If we do not get all the quarters back, you can be sure that this will be the last session of the midnight party that we have," and since that time we've gotten all the quarters back.

CHAIRMAN GIRTON: You got 240 back this year.

MR. MILLER: Well, we got sufficient back. It was very close to whatever we gave out, and they liked it, and it's helped keep our people together. We do give a \$50 employee bonus at Labor Day. We found that those that we expected to stay with us through the months of September and October said, "Well, I can't work any longer," the day after they got their bonus. So this year we're going to try to put some teeth in it and say, "Well, those of you who are in local high schools and have said that you could stay with us through the fall months, your bonus will be held until Thanksgiving," and hopefully we might keep some of them a little longer that way.

CHAIRMAN GIRTON: Thank you.

... The workshop was concluded at 10 a.m. ...

SAFETY/SECURITY WORKSHOP

THURSDAY, NOVEMBER 16, 1978

FULTON, COBB & CLAYTON ROOMS

The Safety/Security Workshop convened at 10 a.m., Richard Fussner, Kings Island, Kings Mills, OH, presiding.

CHAIRMAN FUSSNER: Our workshop this year will center around three subjects: first-aid guidelines and procedures; crowd control at special events; and everyday operational safety. I will present the program on first-aid guidelines and procedures.

Our second subject, crowd control at special events, will be presented by Mr. Phil Zaccagnini, who is director of security at Hersheypark in Pennsylvania.

Our third subject, everyday operational safety, will be presented by Mr. Steve Diser, who is safety administrator at Geauga Lake, Funtime, Incorporated, in Aurora, Ohio

This year, when establishing the format for our program, we agreed to try to present the information in such a manner that it would not be directed towards our own operations or towards any other particular park.

It's the feeling of the panel members that the information presented will contain guidelines and pointers that can be used in some part by any park operation, regardless of size.

At this time, I would like to begin the program with my presentation on first-aid guidelines and procedures.

Providing first-aid service at your facility, whether it be a large theme park or a small park, is a very important step in protecting your assets.

There are many differences affecting amusement facilities that would restrict setting down ironclad rules regarding first-aid procedures and programs.

Some of these differences are: state laws; local area standards; insurance company requirements; general layout and size of a given facility; and, of course, your own company's operating procedures and requirements.

However, I will try to provide some basic guidelines that can be considered when establishing or providing first-aid services.

What type of injuries or illnesses should we expect? That question cannot be answered by listing a few simple items. The potential exists in an amusement facility for problems which could result in anything from a simple splinter in a finger to severe injury and/or highly contagious diseases.

Park patrons may possibly bring with them to the parks a personal illness, an injury that occurred en route to your facility, or a chronic illness such as a heart problem or diabetes. They may also develop problems after getting to the park, such as motion sickness, heat exhaustion, cuts and bruises, fractures, heart attacks, or suffer the effects of narcotics.

Employees also represent an area of concern. Their problems will require treatment for simple things such as sore throats, or may also require immediate treatment for something serious, such as heart failure or severe injury.

What types of personnel are necessary to handle these situations? There are several types of personnel that should be considered when establishing the staff in a first-aid station. First, check your state and local laws; and also check your insurance company requirements.

The capabilities of your first-aid staff should be such that any emergency situation can be handled in a prompt, effective manner. The knowledge of how to handle heart failure immediately may mean the difference between life and death for the victim. If an outside ambulance or life-saving service is utilized, it becomes very critical to have someone capable of stabilizing the victim until its arrival.

Nurses, emergency medical technicians, and paramedics are all ideal personnel, and because of their special training are able to

function professionally in all types of emergency situations.

There are many people who have attended first-aid training classes but have never been exposed to treating a critically injured or ill victim. All facilities, at the very least, should have readily available on the premises one or more persons who have been trained in all aspects of first-aid treatment and have had experience in treating an emergency.

What should the configuration of a first-aid station be? First of all, when determining the design of a first-aid facility, location and size are important.

Larger parks may find it more practical to have a main station on the outer edge of the park that will handle all major problems or numbers of people, with one or two smaller stations located more conveniently in other areas of the park to take care of minor problems.

Smaller facilities may find it best to locate portable first-aid equipment in a location where it can be readily taken to an accident by the first-aider assigned that duty. Many fairs utilize a first-aid station located in a mobile trailer, which can be moved to any area where large numbers of people gather, or where higher potential for injuries and illnesses exist.

When selecting a fixed location of a first-aid station, in relation to the park, two important items should be considered: One, accessibility to the patron; and, two, accessibility to outside services such as an ambulance or life squad.

In any case, the station must be located where it can be easily found by the people it is there to serve, and, ideally, should be positioned so that removal of patients to the hospital by ambulance is not done in the public eye.

The size of a first-aid station, again, will depend upon the requirements of the facility. The size can vary from one room at a small park--such as this shown on the projector now--to a complete emergency treatment and ward area found at a larger theme park--such as this (new slide).

However, regardless of the size of the first-aid station, there are a few good basic rules or guidelines to be considered. All people entering the station for treatment should enter into a waiting area equipped with seating and drinking facilities. The area should be separated from the treatment area by a wall, screen, or serving counter, where the attendants can converse with the patients and determine their needs.

Patients who do require first-aid treatment for an illness or injury should be placed in a ward area, if they need to lie down, or in a treatment room, if they have a more severe injury or illness. In any case, they should not be in view of other waiting patients.

The traffic pattern of patients in a first-aid station should be such that at no time will a patient who is suffering simply from motion sickness or some other minor ailment ever be in a position where he or she would be exposed to the treatment of serious injury or illness.

This slide, showing a large facility, illustrates patients

entering a waiting area--which is up through this area here (indicating)--where they are then directed by the first-aider to either a treatment area--in this slide (indicating)--or into a ward area, if they need to lie down for motion sickness or some minor ailment. It also shows a back entrance where the patient is brought in either from the park by ambulance or is taken out of the first-aid facility by an outside ambulance service.

Going back to the earlier slide, we see the one-room facility, which shows the patient entrance coming in the front door here (indicating). We have one door to this facility, which may be perfectly adequate for your needs. But all your traffic goes in and out this same door: If you bring an ambulance cot in, you have to take it back out this door. It shows the little waiting area here (indicating) where the attendant is seated, or spends most of his time; and, as you can see, the treatment area is separated from the waiting area by a screen or a curtain. Either one is adequate.

And again, as I pointed out earlier, the patient who's waiting in this area should not be able to see what's going on back in the treatment facilities.

What types of first-aid equipment are required? Types of first-aid equipment can vary from the basic first-aid kit for the small show or facility to the completely-equipped medical clinic found in the larger theme park. At the very minimum, a small facility should maintain a well-equipped first-aid kit. First-aid kits, along with portable oxygen, can be used to stabilize an injured or ill person until help arrives.

Transportation of patients inside the park can be accomplished in several ways. The method is largely determined by the size of the facility and the equipment available. If the walkways in the parks are large enough, small golf-cart-type ambulances may be used. Or, in the case of smaller shows, and parks with narrower walkways, wheelchairs and the wheeled ambulance cot can also be used. Backboards should also be available, in the facility, to transport patients from hard-to-get-at locations, where back or neck injuries are suspected.

In any case, whatever type transportation is used, it should be accompanied with basic life-saving equipment. All too often, the reported "simple fainter" turns out to be a heart attack, and there may not be enough time to go back to the station to get more equipment or to transport the victim to the first-aid station.

What about recordkeeping? Maintaining proper records at any first-aid facility is an absolute necessity for many reasons, foremost of which is the need for documentation in event of lawsuit.

First, all patients treated for minor injuries or illness should, at the very minimum, be listed on a log sheet, giving their name, address, date, cause, and treatment.

(Showing slides.) These are each samples of actual log sheets used by operating parks. They show various formats for obtaining this basic information. You notice that there is a lot of similarity in the forms, regarding the information that they're asking for.

Secondly, information on all patients treated who need medical attention or who may need medical attention should be recorded,

complete with all details--name, address, phone number, age. If the patient is a minor, who is the guardian? Is it an employee or a guest, or other?--it might be a contracting service. If it's an employee, what department do they work for? Who's the supervisor? What is their trade or job assignment? And, it's very important to have the Social Security number.

How did the patients arrive in first-aid? Did they walk in on their own? Were they carried? Did they come in in an ambulance?

What is the patient's description of the incident? And this becomes important when you're pursuing an incident legally, that the statement that's on this first-aid report is strictly the patient's description at this point.

What type of injury did the first-aider feel that the patient had? What type of treatment did you render in your first-aid station?

What recommendations were made? Did you tell them to go see a doctor, or did you recommend that they leave the park and have treatment immediately?

What was the first-aider or nurse's comments? Occasionally, your nurse or the person in first-aid may note something.

And the disposition. Did the patient return to the park? Did he return to work? And, if he did go to the hospital, did you send him in a company vehicle, did you send him in an ambulance, or did he go in his own car?

The following (slides) are samples of actual incident or first-aid reports used by operating parks to obtain information on more serious problems. These are the forms that are used to report medical-treatment-type incidents. As you will note, each of these forms is specific in the information required. This is very important so that the first-aider or nurse filling out the form has a guideline to follow and does not write down unnecessary information or statements that are not only of little use but also, in some instances, could be damaging in court. These forms all come from parks that are using them presently, and they're very similar in design. They ask for the same types of information.

These, again, are first-aid reports. They are not accident-investigation reports. They're strictly first-aid reports--what happened in first-aid.

Other forms used by many first-aid departments as a service to their patients, which will provide good guest-relations benefits, are forms like this (slide). These are actually three forms shown on one slide here. The form in the upper left-hand corner is a vital-signs information form which is sent with the patient on an ambulance case. And this, of course, is important to the hospital people coming in so that they know a little bit more how the patient was when he left the park.

The one on the top right is a head-injury sheet. And this is used by the patient--given to the patient when he leaves the station--as a guide for those who have suffered a bump on the head.

The one on the bottom is a bee sting sheet, which serves the same purpose. It provides a guide to someone who has been stung

by an insect and may possibly have a reaction as a result of the sting. It tells them what to watch for.

Good first-aid recordkeeping will provide other assets, such as a follow-up on accidents and their causes by operations, maintenance, and safety personnel. Statistics for planning future growth and indications of the effectiveness of your safety and maintenance program are also additional benefits obtained from good recordkeeping and analysis.

Maintaining good first-aid treatment, policies, and procedures for any facility, regardless of size, is not difficult and need not be expensive. Training of personnel is available free through many fire departments, life squads, and local Red Cross offices. The amount of time necessary to train an employee in a life-saving technique may be as little as three hours. Some training films can be purchased and used over and over again in employee training programs. And, once again, your local Red Cross has many training aids, including films, that are free upon request.

At this time, I would like to show a sample of a film that we use that can be used each year in training. The film is called "How to Save a Choking Victim: The Heimlich Maneuver."

This film is typical of the type of training that is available to train not only your first-aid personnel but other employees as well, such as--in the case presented--those in food service.

(Whereupon, the film was shown.)

Okay, there you've seen a film that took eleven minutes. It's eleven minutes of employee training that could save a life.

In summary, I'd like to say that any outdoor amusement facility has a moral, if not legal, obligation to provide at least good first-aid treatment for both its employees and its patrons.

I am sure that statistics would prove without a doubt that care and treatment afforded by good first-aid practices would be directly responsible for elimination of many guest problems that would, at the very least, end up as a complaint, or, possibly, at the worst, as a lawsuit.

In this day and age of rising insurance costs, no facility can afford not to take all possible steps to provide service in this area.

At this time, I'd like to turn it over to Mr. Zaccagnini, who will give his talk on crowd control.

MR. ZACCAGNINI: My portion is directed to not only the large parks but the small parks also. We think we have something for everybody, regardless of the size of your facility. And my portion of the talk is "Crowd Control and Special Events."

First of all, the size of the facility has to be taken into consideration. You should never over-sell your facility. And, speaking of an over-sold facility, there (slide) is a good picture of one. You should know how many people you can fit in your building, or whatever it is where you're showing your special event. And, as you can see, this facility (slide) is over-crowded. You can see the green areas at the top. There are supposed to be walk-

ways there. There are absolutely none. The steps are right below the green portions--again--the exits. Those are all steps coming down to the bottom floor. Those are absolutely packed with people. In short, this is a time-bomb you're sitting on.

You should know how many people you're going to draw for your event. And, of course, your marketing profile can pick that up. You have to make necessary adjustments in seating. This (slide) appears to be a basketball game. And there doesn't appear to be much adjusting of seats. You see at both ends of the court there, they look like cheerleaders. There's no room in the back to put additional seating. So this building here should not have that many people in it.

If you expect a small crowd, and you have a building this size, you can minimize your costs by partitioning off an area. You will not have to clean the whole thing, for one thing. And you don't have to secure it, for the second. So you cut your costs if you have a smaller crowd, in a building like that.

You've got to know what type of event you're drawing. There are different-type people for different-type events. The crowds are smaller at this one (slide). You should be able to get your information on your advance--from your marketing profile, again.

There are a certain type of events that you're going to need more security for. And you should know what type of events these are. Say you're going to have Donnie and Marie Osmond--you're not nearly going to need as much security as you are for a, say, a Kiss concert. So, you've got to make your preparations in advance.

You should never lose control of the amount of tickets that are sold for your facility. I know of one case where the people who have the facility don't ever know how many tickets are being sold for an event. And this is absolutely ridiculous. If it's your facility, you should know at all times how many tickets are being sold; and you should cut off your ticket sales before your house is filled.

If you're going to have special groups come to your facility, you've got to make special consideration. Are you going to have group rates? Are the groups going to have special problems? Are they going to be handicapped? If so, you're going to have to be prepared to make these people comfortable.

There are a lot of new state laws being instituted regarding the handicapped. You've got to be able to handle all types of handicapped people, whether it be wheelchairs, what have you. They're working on this law rapidly. And it's soon going to be a state law, I know, in Pennsylvania.

Do you have a pre-purchased ticket plan for your building? If you do, you should try to sell as many pre-purchased tickets as you can, rather than wait till the last minute and sell them all the day of the show.

If you're going to have sell-outs--if you know you're going to have a sell-out, you should be prepared for some things that you're going to have to handle that evening. If a sell-out is imminent in your building or your park, you've got to be prepared with signs . . . coming off the major highways, saying that the place is sold out. You've got to have people out front, whether they be hosts, hostesses, or security. You've got to have them

talk to the people and tell them that you're sold out and you're not selling any more tickets for this particular event.

And while we're talking about that, let's talk about the parking problems that you might have. The major objective is to get the traffic off the highway as quickly as possible and get them parked, with a minimum of delays. You're going to have to have spaces provided--regardless of what size facility you have. For large crowds, you're going to have to have a large parking lot. And it would be ideal if you had an isolated area, where you don't have overlap of shows--a particular parking lot for a particular building; you know how many people you can get into that building, and you know how many parking spots you have. That's the ideal situation.

However, there are a lot of complexes where there are two or three things going on simultaneously and you don't know how many people are being drawn to one event, so you have overlap parking. You've got to have an overflow area where you can park these people.

If you're going to have lots of bus traffic for your event, you've got to make sure you have people to park your buses, hopefully, away from the traffic, the cars, in a specified bus parking area. That's the ideal situation.

You've got to have security in your parking lots while the show is going on. I know there are a number of CBs that have been stolen across the country--in our facility, probably as well as yours. And most of the parks, I can say, are making a major effort to secure their parking lots. Some have gone to mounted patrol, horseback. I observed this operation--it's very effective.

You're going to need parking lot attendants. Whether they be security people or parking lot attendants is up to your establishment.

You're going to have to place these people at strategic points, to get the traffic off the road. If you want to park individually, you're going to have to direct the people directly to parking spots, and park them as quickly as possible.

The number of security people should depend on the number of cars you have in your parking lot.

I know here in Atlanta the police are permitted to work for The Omni while they're off-duty in their police uniform, which is something unheard of in Pennsylvania. A policeman cannot work private security in Pennsylvania, period--at least in the area that I come from; it's not permitted.

So you're going to have to alert your local police. They're going to have to be aware that the traffic is incoming and it's going to be a major traffic jam, and they will have to prepare for it. They might be able to put somebody out on the highway, and that's going to get the traffic into the parking lot faster.

You're going to have to be prepared for emergency disasters, believe it or not. You're going to have some controversial groups at times, whether they be legitimate or not. I can remember back when the Russian basketball team, the Russian hockey team and the Black Watch, which is the marine guard and drum corps from England, were touring this country. There are people who, for some reason,

have something against these groups. And you've got to prepare your facility against that . . . even if it be a search before the facility is opened. There are people who'll search a facility and then secure it. During controversial events, you quite often get bomb threats and things like that. However, if you secured your building before the event is opened to the public, you can rest assured that it is safe. You've got to contact your local authorities, regardless, because 99 percent of your bomb threats are hoaxes, but you cannot ignore the one percent. You've got to contact your fire department and your rescue squad; you've got to contact your ambulance corps and your E.O.D. or your bomb ordinance-disposal group.

While you have these events, you've got to have a first-aid facility set up. You've got to be prepared with local hospitals or your own ambulance service. You should have a nurse, EMT, or paramedic on duty at all times while your facility is open.

The first concern at these events is for the safety and security of both the attraction and the guests. You've got to keep some type of a space between your stage and your audience, whether it be a physical barrier or whether it be security personnel. You've got to have a physical barrier of some type so they can't get to the stage. The performers on stage must have an exit where they can get off that stage without going through the crowd. There has to be a backstage area to and from that stage so the people can get off.

After your event is concluded, of course you've got to clear your building. You've got to see that everybody is out. And you've got to secure it.

You notice I've not talked much about lethal weapons, arming of personnel, security, inside the buildings . . . whether they be uniformed people or non-uniformed people. These are all governed by your local and state laws, and each one is probably different. Now, Pennsylvania is very strict on that; and we've got a very stringent lethal weapons act that says a security man has got to have so many hours of training before he carries a lethal weapon. A person who is functioning as a police officer in Pennsylvania may carry a lethal weapon. However, if he should take a job as a security man somewhere, then he is considered a security man and must go through all the lethal-weapons training, even though he is a policeman. It doesn't make sense to me, but it's the state law.

After your event is over, your facility is going to have to be cleared, checked--first aid's going to have to be checked. The restrooms are going to have to be checked. And, when the traffic is out, the parking lots are going to have to be checked. Now, there have been occasions where cars have been found in parking lots the next day, or two days later--somebody had a heart attack in those vehicles and were there still. So, you've got to check your entire facility, from the men's rooms, ladies' rooms, to the parking facilities when your event is over.

Thank you.

CHAIRMAN FUSSNER: Thank you, Phil.

At this time, I'd like to ask Steve Diser to come up and talk about everyday safety problems.

MR. DISER: What I'm going to do today is simply try to bring out some points that I think any operation can use; whether it's large, small, a traveling show, a fixed park.

I don't think a facility has to have a full-time safety director to put a safety program into effect. But you do have to assign somebody in your operation that responsibility, whether it be in the operations department or in the maintenance department. And you've got to have these things carried out on a regular basis--that's what makes them effective.

I'm going to divide my discussion this morning into three sections: operational safety survey, fire protection, and employee training.

The first section I'm going to work with is an in-park or operational safety survey. And these are things that I think that you can look at on a regular basis--I would suggest that, at a point of a week, or two weeks at the most, having that individual go out in your facility and take a look at these different sections, the park itself and some of the rides.

The first thing that you might take a look at on a regular basis is your fencing. And I think all of us have fencing of different types, whether it be a split-rail fence like is shown here (slide) or, in the background, some cyclone-type fence, which is chest-high in this picture, around your rides.

Now, some of the things you want to key on. If you're using, say, a split-rail fence for not only keeping people off your grass area but maybe queue-line area, make sure those cross-rails are in good condition and that they would hold somebody if they sit on them--because that's what's going to happen, people are going to sit on them. And we don't want them falling to the ground and injuring themselves in that manner.

If you use a split-rail, try to make sure it's as smooth as possible on the top sections, where you know people are going to run their hands.

If you're using cyclone fencing, make sure the top or the bottom of that cyclone fencing around your ride doesn't have any jagged edges; and this can occur from week to week and is something to be on top of.

In that same survey, you may be looking at your ride platforms. If you're using a wood platform, or a step, or a ramp area, and the wood goes bad periodically, replace the wood. Don't just patch over it.

Again, make sure that the platform area is smooth and that the wood's replaced on a regular basis, and painted over.

Look at your picnic tables, the different types of tables. If it's a wood table, and it's this type, (slide) make sure that the seats are in good condition, that the bolts that are supposed to secure those seats to the iron portion of the table are in good condition, that they're not burred where somebody could run their leg over here and scratch themselves or injure themselves. The same thing in this picture (slide)--just have a good overall look at your picnic tables in this survey.

Here (slide) is a picnic table with something wrong. If some-

body sits down on one edge of this seat, they may go crashing to the ground; this can cause a seat or back injury. It's going to give you problems. You can make the necessary repair here without too much difficulty.

Now, the next section I'm going to go into this morning is dealing with rides in your facility. I think, in the safety programming, attitude is the important thing dealing with safety programming on the rides.

Now, here (slide), housekeeping is a must, to get a good, safe attitude going around your ride facilities. If your lubricants spill over when you're maintaining your rides, wipe them off, clean them up in some manner. Don't let it continue for any length of time. You're not only talking about slip and fall hazards here, you're talking about fire potential. But this is simply, again, getting back to a housekeeping program. You can use different types of emulsifiers to get this grease and oil spill up.

Do your platforms need some type of coating? This is difficult to see in this slide, but there is a grit-type coating on this platform. Grit coatings come in different types--in other words, different types of grit. You can get plates that have this grit on it. If your rides are exposed to the elements, open, then you need something like this to cut down your slips and falls. And these are available in large and small quantities. A lot of different manufacturers put these out; they're not hard to obtain and use.

When you're checking seating on your rides, make sure that that seating is in good condition--that when someone sits down in your seat that they're not going to tear any part of themselves or their clothing. Also, if you have padding in those seats to absorb the shock when people are on your rides, it's got to be in there. If the seat becomes ripped and torn like this (slide), it's going to start coming out, and this is going to cause you problems resulting in accidents.

While you're looking at that particular car, also, check to make sure that the safety pins or the safety bars are in good working order, so that if there are any needed repairs you've got those written down, to go back to later.

On this type (slide) of dodge-'em ride, there is padding on the steering wheel. You've got to check its padding regularly to make sure that it isn't ripped open. If you keep up with this, it's going to save you a lot of problems as far as bloody noses, cut lips, chipped teeth, various things that happen to kids and adults, no matter what size of car they're on that involves bumping.

This picture (slide) is looking inside the cage of a Rocko plane--and I use this to illustrate the seatbelt assembly. In that ride, the seatbelt is important to keep people from crashing into the top of the cage when they're upside down. I would suggest you take a look at those belts regularly, make sure they're in good condition. In fact, make sure that the buckles work so people can use them in all your rides. It might even be a good idea to consider standardizing the seatbelt buckle. If people can't figure out how to put the thing on, they're not going to use it. And so, this is important as far as taking a look at these and making sure that they're in good repair, they're not rusted throughout your

season.

On that survey also, you're looking on your different platforms and walk areas to make sure that your safety lines are in good, bright condition. When your ride operators tell people to stay behind the yellow or red safety line, you'd better be able to see them--so that people know what you're talking about. And those sometimes need painting halfway through the season--maybe even more than that--at night, with quick-drying paints. But these safety lines are important so that people can follow your directions.

Now, once you've completed this safety survey, on a weekly basis, then simply go back to your work area, write some notes up. At that point, get together with your maintenance department head or whoever would be responsible for carrying out these needed repairs. I think one other thing at this point that you can do is work with what I would term an "operations maintenance form."

Whatever form you might use in operations--let's say, for instance, that the night before--the next day--the supervisors from operations go around and they make out a mechanical form on what's wrong with the rides so that maintenance can fix them in the evening or the next morning shift, or whatever. Well, take a look at that form after you've done your safety survey and see if some of these things don't match up . . . because probably they do. They may have been let go for a time period--something that you can see what's going on with that particular form.

Also, you may want to check the first-aid forms, to see if your safety survey matches up with some of the accidents you've been having. I'm not going to go into any detail here, but Dick Fussner mentioned earlier, a lot of the information that comes off the first-aid reports . . . well, it helps you in safety, too--because you can compare things and see--well, if I've had a lot of tripping hazards in a particular ride area, I'm going to have to go back there and do something about it--whether it be a coating, whether it be restructuring the steps, whether I'd have the ride operators warn people more in advance, whatever the case may be.

Also, on these different report forms, particularly on the first-aid form, dealing with safety on a daily-operational basis, here, if you've got to go back in six weeks to talk over an accident with your insurance people, you're not going to remember it unless it's down in black and white. And you ought to have all areas covered. A lot of times, in the insurance area, they'll say, "Well, what did you do on that ride the night before? Did you note any problems that would have contributed to this accident?"

I happen to believe that we're not trying to hide things from our insurance people--because, in the end result, they're trying to do the best they can for us. And they need information.

And, six weeks after it happened, nobody's going to remember it. Because I go out in the park, and I can't even find the ride operator when it happened, sometimes. They've left our facility.

Let's go on to the second section this morning; and that deals with fire protection for any operation. I think the basic fire protection for all of us is the fire extinguisher, whether it be a dry powder, a water pressure, whether it be CO₂, whatever. They

are placed around our facilities, in different locations--for the food service, for the rides, for maintenance.

Here again, training your employees to know what to do with that piece of fire equipment is basic. You can have a training session with your employees as part of the orientation before you go into your season. I think what you can do also, as you go around on maybe a monthly check of your fire extinguishers, is to talk to the students that are working for you in your facility. Throw out a comment like, "Do you know how this thing works?"--because a lot of them don't. They don't even recognize you're supposed to pull the pin before you use the extinguisher. And you ought to at least get into some conversation with your people on a regular basis, to let them know about using the fire extinguishers if anything were to arise.

I think also, once the fire extinguisher gets used--and you may not even know about it in your facility--they ought to have somewhere to call in the fact that that extinguisher has been blown off, set off by accident, whatever the case may be. It could be your police station--whatever you designate as the situation.

Our basic extinguisher is what we're all going to work with --we're going to go up from there to hoses, to fire engines, or having an aid agreement with a local fire department.

Now, the third section this morning I'm going to work with is employee training. This is the key safety attitude situation. You're trying to get across to the people who are working for you in your facility the fact that you care about safety for them and for the guests. And if we can do that, I think this is important.

Now, when you're putting on a presentation about safety to your employees in the training--you might do it during the orientation at the first of the season--you might do it on an individual basis--you might combine the two--you can make up a basic park operational slide presentation for safety purposes for less than \$50, to run the slide and even buy the projector equipment. It's not that expensive.

But when you do this, I would suggest that you use your facility. If you don't have a corkscrew ride by Arrow in your park, there's no reason to show that to a bunch of your employees, because they're never going to have to do anything with it. So it's a nice looking picture, but what good is that going to do? Use the things that you're going to be training those people with.

I would suggest that you try to localize your training. In other words, if you know a group of employees is only going to be working on the roller coaster, then don't train them on the caterpillar ride. Work with them in the before session in a general-type way and then get them out there and work with them on an individual basis.

I would suggest that any operation also set height restrictions. It doesn't matter whether it's 48 inches tall to ride the coaster, or 50, or 52--it doesn't matter whether it's Joggy Dog, standing up here (slide), or whether it's Wiley Coyote, or whatever animal it is, or whatever thing that you pick out--but something that would designate a height restriction.

We do this for safety reasons on our rides--and also for back-

up. If your employees are going to have to tell people that they can't ride that ride, the people are going to want to know why, and they're going to want to know that it's stated. You'll have more force if you state the policy in writing, as this (slide) shows--rather than to just have your employees stating that they can't ride because they aren't so many inches tall. And I think we ought to give our employees some reasoning, that for safety purposes this is an important policy. As I say, it doesn't matter to me what you have set for height restrictions in your situation --but you ought to have some policy to get across to your employees.

When everybody gets on the ride and it's ready to start, I would have your ride operators telling those people what you expect of them before you put the ride in motion. If you expect them to keep their hands, arms, and legs inside the ride at all times while it's in motion, you ought to tell them. You'll have your people trained to go through that same spiel every time, whether it be verbally or--as this (slide) is showing, with a microphone--or megaphone. But you ought to have some guidelines as to what your ride operators are expected to tell the people for safety reasons before they put the ride in motion.

Getting back to fencing, if you don't want your guests in a certain area, then I would suggest you fence it off securely. You may even have to put some locks on some of these door panels. When you cyclone-fence off an area, you want to keep the guests out of that backstaging area. I think here your employees, again, ought to be enforcing this policy on a regular basis. If they see somebody nosing around, they simply ought to be courteous and tell them that the sign is there for a reason and to keep out of that back area.

If you don't want people taking anything on your rides, for safety reasons, you want to state it--whether it be food or beverage, or cigarette smoking. I would simply put up a sign and have your people enforce it, with some courteousness. But make sure that people aren't riding your rides if you have that policy. They need their hands, usually, to hold on, so therefore we want them free.

One of the key important things in any employee training session to me is to know something about what to do if an accident happens on their facility. When an accident happens, does that employee first get on the telephone and call operations? Do they call first-aid? Do they call maintenance? What do they do? They ought to know this, whether they're a new employee, an old employee, whatever the situation is.

And they also ought to know where the first-aid station is. As your season goes along and you change people, often you can walk up to new ride operators and a lot of times they have no idea where the first-aid station is; they couldn't get themselves there let alone a guest who's injured. So this is important to get this across, in your training or when you're out working with these people on the ride.

But give them something to know that they should get on the phone and call first-aid first, alert them; then, if first-aid is going to alert operations, fine--if the ride operator should continue and call operations, set that policy line.

As I say, they ought to know where first-aid is located in

your facility and be able to escort a guest there, if it's necessary. The ride operator, or supervisor, or whoever, should escort that guest to first-aid and stay with them at first-aid or stay at the first-aid until they have taken care of their responsibility.

I don't think that we're trying to hide anything from our injured guests, or members of their family or friends; but I think your ride operators ought to be instructed to, "Do not discuss the incident with any outsider, only your own personal people." We're simply trying to carry on a professional way of handling the situation. Later on, comments get turned around, when ride operators make such comments as, "Oh, they didn't check that mechanical area this morning," or, "This has been happening too regularly; I wish they'd do something." We don't need any of that. And I think this must be gotten across in the employee training session when you're dealing with your safety program.

One of the things your employees can help you do, too, is to keep an eye out for the lighting in your facility at night. When post lights are out or things on the rides are out, they can report those and make sure that they are upgraded. As far as the safety and security is concerned, this is important at night for people on your grounds.

Again, the three areas that I discussed this morning are simply the safety survey, basic fire protection, operations employee training.

You ask me what these things can do for you. The bottom line is: they can stop accidents from happening, which will cut your costs internally. That's what it'll do for you.

Thank you.

CHAIRMAN FUSSNER: Thank you very much, Steve.

We'd like now to open the floor up for any questions that you people may have.

We do have the completed literature up in the front here, if you'd like a copy of the sessions.

Also, we have a sample of a sign up here that we had discussed at one of the IAAPA safety meetings. Signage is a debatable thing; I know there are a lot of pros and cons on whether a sign is effective or whether it isn't effective and what kind of signs are best and so forth. But one park is experimenting with signage that follows the national standard on signs, and there are some samples up here. (Indicating.) They're using the national symbols in relation to park signage. And, of course, the philosophy behind this is that people become used to seeing this type of thing and they might be more apt to pay attention to it. Again, it's strictly something that I know they're trying to get opinions on how people feel about it.

So you might want to take a look at it.

Are there any questions at this time?

A VOICE: How do you control or eliminate yellow jackets?

CHAIRMAN FUSSNER: I can try to answer that question. I've probably gone through the same thing you've gone through.

We have a pretty-good-sized park, and it varies year by year. I think not only the yellow jacket problem but more so the honey bee problem in our area has to do with flowers and how soon they dry up and go away--because, in the fall of the year, the yellow jackets and the honey bees and that type of thing become very difficult in the park. They come in to feed on the syrups and the cotton candies and so forth.

I wrote a letter to several universities throughout the United States, and I did get some feedback, trying to determine if there was a good deterrent for bees and these types of insects. Yellow jacket, hornets, wasps, these types of insects, are not a protected type insect. Surprisingly enough, in some areas--and I know in our area, in Ohio--honey bees are protected. And, when you look at the overall picture, rightfully so; they do a tremendous job for us. We all eat a lot of things that honey bees are responsible for.

But, you're not literally allowed to go out and wholesale kill bees, in Ohio, in the area we're in.

Honey bees, according to the universities that I wrote to, are practically impossible to deter. They're, I guess, the most intelligent insect in the world. And they've run a lot of tests and have found that there are things that are effective at deterring them probably the first time. But, as soon as they are deterred the first time, they go back to the hive and they tell everybody else back there that around the stuff that stinks, is where the goodies are. And then they all come back to that area.

(Laughter.)

And that's kind of the answer that I was able to get from everybody who was supposed to know around the country.

Now, there are some things that they don't like. They don't like mothballs, for instance. If you're having trouble with your garbage containers around the park, you might try hanging a little sack of mothballs in the top, which will help to a certain extent.

There are some sprays that they don't like. But it will not keep them away completely.

There was one gentleman somewhere in the United States who had a root beer stand. And, if you've ever noticed, there's always a large number of bees right around the spigots of the syrup dispenser. In fact, we had a woman this year who was stung down in the throat by a bee--because she swallowed it during the process of drinking some kind of a drink.

But this guy got the real intelligent idea that he would take a little bit of root beer syrup and pour it in a pan on top of his stand. And the bees would go there. And it worked, surprisingly enough. The bees went up there.

But he was going through like five gallons of syrup every day and he had to knock that off.

To give you a definite answer on how to get rid of them, I

don't know of a real deterrent to keep them away. Some things are effective for a little while.

A VOICE: A question to Phil.

Have you calculated a ratio for your security people to your guests and to vehicles? Or how do you handle that?

MR. ZACCAGNINI: No, we have not done that. We'll take our facility and we'll work from there. We determine how many people we can get in, at its maximum. Then we'll take our security problems from that, and then we'll work backwards.

If we have a full house for, say, a rock show--and we're talking 10,000 to 10,500 people--we would use approximately 35 security people. We would use approximately 25 plainclothed people we call "entertainment concept people," out of Baltimore, Maryland, and we will use 15 city policemen. That's if we have a full house and we have a hard rock show like Black Sabbath.

Of course, if we have Dolly Parton, or Donny and Marie, of course it's not nearly that many.

A VOICE: You said that 99 percent of all the bomb threats are hoaxes--and that's true. Of that 99 percent, there are some of those that are taken a little bit more seriously than others. What is your procedure in the event that you receive a bomb threat that you consider to be serious--and, say, it's 2:00 o'clock in the afternoon and your park is at capacity? What procedure do you take?

MR. ZACCAGNINI: I've never had that happen, thank God. But I think there was a park down in Texas that has. Is that correct? Six Flags Over Texas has had that experience.

If we get a call, and we have a full house in the park, and . . . the first thing we will do is call our management team together, and set up a headquarters. We will make a decision at that time, based on the information received at the time of the call . . . whether to evacuate the park or whether to cordon off a section of the park, depending if we have the information as to where this bomb is alleged to have been placed.

One thing you're going to have to keep in mind--whether it be a park or an arena or a forum or what have you: If you get a call and you evacuate your premises, you can bet you're going to get more calls. You have got to make a hard-line decision. Because once people know you're going to evacuate your building, or your park, then they can get in when the people are going back in--because they couldn't get a ticket to get in there in the first place. This is one of the reasons people call bomb threats--they want to see a show and they can't buy a ticket, so they call a bomb threat. Everybody is ushered out and then they get back in the second time. That happens quite frequently.

But you're going to have to make that decision, based on the information you received on the phone.

CHAIRMAN FUSSNER: I might add to that. In determining the validity of a bomb threat, evacuation of the park, we have several different steps in the procedures. And the total evacuation is based on the fact that we absolutely know there is a device in the park.

That's when we would consider total evacuation.

If we've got a bomb threat that we consider might be valid, based on what we hear on the telephone, or whatever, but we don't know that there's a device in the park, we'll attempt to search without evacuation, or go to sectional search.

A VOICE: I've been associated with a small park and a large park, in my day . . . from a band-aid to iodine, to a stomach disorder. Eventually, we had a nurse, cots and so on. We did not have an ambulance.

If you have to call an ambulance, be sure and tell them not to blow their siren within a half mile; otherwise, everybody is rushing to that particular park to see what's what. A little bit of an accident may be enlarged to somebody's killed, somebody's had their arm taken off. So, whatever you do, when you call an ambulance--if you don't have an ambulance--be sure to tell the ambulance people not to blow their siren.

And another thing: The insurance company will not protect you if you admit that it's your fault. Never admit, whatever happens, that it is your fault. Keep your mouth shut and tell your operators to keep quiet. Get all the information you can get, but never say that it's your fault.

Always have your lights on, whether the ride is operating or is down. And if your ride is out of order, never put a sign up, "Out of Order," because people think that something is wrong with that ride. If you're going to put a sign up, put a sign up, "Changing Motors." That will eliminate it.

I'm going to specifically name one case we had. And we won the case. I got a call and I took our nurse up to our parking lot. A woman fell down--she weighed close to 300 pounds--and broke her shoulder.

We took a ruler with us, or a tape measure, wherever the location was, and we measured it.

The next day, this lawyer sent out two photographers. They dug a hole. They dug a hole and said this was the particular spot where this woman fell.

And we went to court--but they forgot to shovel the dirt away. So that was in our favor, because they didn't clean that up. We won that case.

Safety is a big thing in your park. And, for God's sake, never admit that it's your fault, or the ride's fault. Keep your mouth shut, and tell your operators to keep their mouths shut. Never admit anything.

CHAIRMAN FUSSNER: I think it's key in any operation . . . as Steve mentioned before, your insurance people who are providing you coverage are certainly key people. And there are some things that they need to know eventually. But I think it's a key point that not everybody in the park should be talking about what happened, what the situation is. You ought to get that duty down to a given individual or a couple of individuals who have that responsibility and can do it properly and give the right information. The wrong information can hurt you.

A VOICE: Will you pardon me, please, for half a second?

Be sure and get all the witnesses you can get, at that particular area, favorable or unfavorable. Get every name, and how they're dressed, whether they have sandals on and so on. Be sure to get all the witnesses' names.

CHAIRMAN FUSSNER: Are there any other questions?

MR. PERRY: Yes, sir, I've got a question.

I'm Don Perry from Myrtle Beach, South Carolina.

We have a little colonial village in our theme park, and the first-aid facility is right on Main Street. We've found that this has created a problem for us. People come into first-aid who have not actually been hurt in the park. They'll come in with sunburns and blistered feet--they fell on a bicycle before they came out--want aspirins.

And it's a little difficult to tell them, sometimes, "No, we're not going to help you, because you didn't get hurt in our park."

So, we're thinking about moving our facility to where the first-aid is not visible to the passerby.

I was just wondering how some of the other parks have handled similar situations.

CHAIRMAN FUSSNER: Of course, in my particular case, we're a closed park, so any person who comes to first-aid is a guest in the park. We do have people show up who slammed their hands in the car coming down to the park, or who stopped at a roadside park to eat and cut a finger on a potato chip can, or something of that nature, and we usually will go ahead and treat them. There's not a lot of that type of thing.

Once again, you've got to make sure that your documentation reflects that. You don't want that to reflect back on your park. That's another situation altogether.

Is it a real quantity-type problem?

MR. PERRY: Well, yes, it is, for us. That's why we're going to move ours.

But we haven't had anyone try to sue us or anything for serving them aspirin. But we do document what the accident was. And we try to serve the people.

But it did become a problem this past summer because Myrtle Beach is such a populated area in the summertime.

And so, our thoughts are to just move the first-aid station out of sight . . . but still let it be known that we have a first-aid center.

CHAIRMAN FUSSNER: As I mentioned earlier in my presentation, I feel that the first-aid station has to be where the people can get to it; they've got to know where it is. One of the problems that you could run into, reverse of that situation, is the fact that

there's always a possibility that someone could get hurt in your facility, couldn't find the first-aid station, and left your place--and then came back with some type of statement trying to prove negligence because you didn't provide treatment to them.

MR. PERRY: Do you all dispense aspirin?

CHAIRMAN FUSSNER: We do. The State of Ohio doesn't have a restriction. You have to check your local laws. Some states prohibit the dispensing of aspirin and those type of over-the-counter medications. Some states permit you to dispense it, but you have to maintain a log of it--who took it, how much you gave, and so forth. That's something that you would have to check with your local area.

MR. PERRY: And the rule of thumb for the rest of the parks is that they'll treat anyone who comes into their first-aid in their park no matter where they were hurt? They just keep a log of it?

CHAIRMAN FUSSNER: I'm not sure that that's the standard procedure with everyone; but it is with my park, and it is with Phil's, and it is with Steve's. And it's true of all of our parks in Taft Broadcasting.

Again, we do document it. We make sure that what we've got down tells the story that they weren't injured in our park, that they were injured somewhere else. Recordkeeping is very important.

A VOICE: I'd like to get an idea of just how far we should go in paying for the medical expenses for patrons who might receive an injury in a park. Now, some injuries we possibly could be liable for. Others are induced by customers' own negligence. And, in many instances, no matter what happens, we get bills for medical expenses incurred to customers who have received injuries because of their own negligence, none on our part whatsoever.

CHAIRMAN FUSSNER: There's really not any clear-cut answer to that. If you've got an insurance company, I would lean on them to provide that answer, to tell you how far they want to go.

I do know that payment for medical treatment, emergency medical treatment, does not make you liable for negligence. Just because you paid to have the person treated, for the emergency treatment--if you sent them down to the hospital and you paid to have a couple of stitches put in a finger or something--that doesn't make you liable for negligence, just because you admitted that you were going to treat them.

Beyond that point, though, then it pretty well becomes a decision that has to be rendered, I'd say, by your insurance company. And, normally, it's handled by them.

And there's a lot of debate about this. We get into quite a discussion at our safety/security conferences on what is the best method of handling situations like an injury. Do you pay the immediate medical charges? Do you contact the patient and make sure that they're doing fine and that they're all right, and this type of thing?

And parks use different methods. If somebody gets treated in the park and they go home, we make it a policy not to contact them.

Other parks don't do this. They follow up; they call everybody, make sure they're doing fine and so forth; and they like it well.

So it's a matter of your own taste in that area.

But I would certainly run that through your insurance company and follow their standards, whatever they would like.

A VOICE: We have generally followed just what you said. But we have found that, in some instances, if we have paid, they have then pressed for further remuneration and made an insurance problem out of it. In some instances, we've just said, "Well, it's not our responsibility."

And I wonder if we could get a few more opinions of what people do who are in the room here or from the people on the panel.

MR. ZACCAGNINI: It's been a gray area for a long time, and we just revised our rule last year. We provide an ambulance service in the park. If there's somebody who has to go to the medical center, we will transport them.

We pay the initial costs for everybody who is transported to the medical center. That's our new regulation.

It's determined in the first-aid department in the park who goes to the medical center. If somebody has no need to go, of course we don't send them, or take them.

Now, if somebody insists on it, and our nurse on duty, or head nurse, thinks that it's not necessary, we'll try to talk them out of it. But somebody who has to go to the medical center to be checked by a doctor, or to be stitched or what have you, we pay the initial price of that.

If there's a bad accident, a really bad accident, and somebody is maimed or something like that, yes, we do follow up. We will keep in contact with them. And, if it's our fault, of course, we're going to be paying. But we do not follow up unless it's something serious; somebody who trips and falls and sprains a knee or something like that, once they're taken care of, no, we do not follow up on them.

A VOICE: I have to leave, but I want to leave this word with you: Never admit negligence. Whether it's your fault or not, you never admit negligence. Otherwise, the insurance company is going to bear down on you.

MR. ZACCAGNINI: I agree.

CHAIRMAN FUSSNER: I'll ask Steve to comment on that same question.

MR. DISER: Okay, at our facility, of course, we have insurance by an outside carrier; we don't have in-house insurance.

Under our situation, if we deem that they have to go to the hospital for emergency treatment, we have in our policy that the insurance company will pay for that emergency treatment. That's part of it.

But I think you have to keep in mind that the insurance com-

panies have to base their premiums for the next season on something, and they're going to take a look at that, if you start sending a lot of people to the hospital for emergency treatment.

Now, this gets back to what your people are like in your first-aid facility. This is why I have to work all the time with our nursing staff, so we have a guideline of who goes to the hospital and who doesn't. But when they do go, we pay.

And then, right away, if I consider that it's going to be a problem, in more medical expenses, or turn into a problem insurance-wise, I get on the phone right away and I call our claims people, and alert them and try to get them on the ball. I consider myself the middleman between the injured guest and the insurance company.

And if I think it's important, I want that claims agent to come out to the park. We don't have an on-site claims person.

And, a lot of times, dealing with a private carrier, I'll get back into the season next year, call up the company, and find out that all the claims people I worked with were transferred. So I've got to go through the teaching process of the claims people all over again. I don't know about the rest of the parks, but I know in our situation, some of those claims people have never been out to the park; they don't know the difference between a Calypso ride and the Zyclone. And you've got to educate your claims people as to what you're talking about when you call them up dealing with an accident, if it's an outside house.

That's how we handle it.

CHAIRMAN FUSSNER: I do know one thing--that if you handle your accident investigation the way you should handle it--you take a look at the accidents when they happen--you pretty well know whether what happened to that person was their fault or whether it was in fact something that you have some liability for; you'll know that, before that patient leaves there, most of the time.

And I use that guideline. If I think that the person was really hurt because of something we had wrong in the park, why then I'll do what Steve does--I'll contact our claims people and tell them, "Hey, I'm going to send this person down to the hospital. And I really feel that he's probably got a case, and I think we ought to get on it and take care of it right away."

Sometimes this will ward off some follow-ups later on, if the people are treated right immediately.

On the other hand, if they don't say anything, we don't say anything; and I leave it up to the insurance people to follow-up.

Any other questions?

Thank you.

... The workshop was concluded at 12 noon ...

MERCHANDISING WORKSHOP

THURSDAY, NOVEMBER 16, 1978

FAYETTE, NEWTON, ROCKDALE & FORSYTHE ROOMS

The Merchandising Workshop convened at 10 a.m., Milton Brechner, Dan Brechner & Co., Inc., New York, NY, presiding.

CHAIRMAN BRECHNER: Dear friends, I want to thank you all for coming to the Merchandise Workshop. Up here on the dais are our fellow IAAPA members who have experienced many different cases of merchandising and merchandising shops. They are from both large and small parks, family parks and theme parks. For those of you who have merchandise shops, we feel that we can give you some ideas on how to improve on what you have and to increase your per capita at your attraction. For those of you who do not have any shops at all but are thinking possibly of putting one or more in, we know we can be of assistance to you. The format of this workshop is such that we will take you from conception right through to the ringing of the cash register and the stops in between. Gift shops, run properly, make a considerable amount of money and they do please your guests. After all the speakers have finished, we welcome your questions. Our first speaker will be James Smith from Worlds of Fun.

MR. SMITH: The topic of my speech today is Planning and Preparation for Merchandise Assortments Relative to Park Retailing and Gift Shops. My park is Worlds of Fun in Kansas City, Missouri. The planning aspects that we place each year is quite diagnostic in its general concept. Our first step is that each retail outlet and facility is ranked by (1) its contribution to sales; (2) its contribution to total profits; (3) contribution by markup for the items sold within the facility; and finally contribution by sales per square foot. Our ten high producers within our park fall within certain basic areas. Lumping our hat sales together, I would say that our hat stands represent our number 1 contributor; followed by our trend shop which has fad type merchandise; a store called Morseman's Gift Shops, a large gift and leather operations, toys, an import jewelry store, shirts, so on and so forth, that represent our major contributing stores for profitability. These stores represent the major categories of goods that I feel are needed to offer basic merchandise within the park. These stores cover shirts, hats, gift-ware, both better and lower end, jewelry, fad merchandise, youth merchandise, and toys. These areas are not necessarily the only important areas in the park. We still have certain needs that don't fall within the ten major item categories. That would be, of course, tobacco, medicine, camera film needs, maps, balloons, candy, et cetera. After we have pretty well established our top producers and, right or wrong, our old producers, our next step in planning is to enhance the top ten shop assortments. More importantly, I feel that we must improve the product mix or replace total assortments of our lower ranked facilities. An example would be, we might consider replacing a candle shop with a shop that we currently do not have, a magic and print shop.

There's a great need for ideas, new concepts, new items, on and on, to accomplish successful changes; and the burden of responsibility should be shared by suppliers, manufacturers, and importers, and not have to be totally on the shoulders of the merchandiser.

After we rank our shops and determine their strengths and weaknesses, we outline the necessary changes. Now we are ready to set our income projections. Each store outlet is individually projected for per capita or per person expenditure in total dollars. These figures are based on our projected total attendance at our park. We include our freebies, comps, guests, whatever. They are all part of our total attendance figure. The total store per caps, individually, of course, account for our departmental totals. From this point we now know what our total dollars at retail will be. Our next step is to establish our open to buy units. Worlds of Fun classifies its merchandise into 12 basic areas. We have classifications for souvenirs, gifts, for trend or youth oriented merchandise, toys and drugs, costume jewelry, rings, so on and so forth.

Our second step is to determine our cost of goods percentage by location. We convert retail projected dollars by location into cost dollars by location. The total of our cost dollars for all stores is in the departmental total for sales and percentage. An example would be that in our park we might try to run a 35% cost of sales, which at this point would not include our freight factor nor our percentage of pilferage.

The third step is to break out each percentage of store's total sales at cost for those classes sold within the store. An example would be our teen shop or trend shop. We might sell 30% of souvenirs, although we do categorize it as a U-13 shop. The final step would be to add up all the total prices available in each store and to come up with bottom line final totals of each class as a distribution throughout the park. Beginning inventory and ending inventory. Theft and breakage must also be established. Our final year end inventory comes into play here in a very important way. The final year end inventory figures must be established. Now that our open and buy has been established, we have guidelines for purchasing, although we do understand that purchasing is taking place prior to our open and buy figures. We purchase predetermined placement of items. We have an idea of what items are going to be sold and their locations. When we buy them, we purchase by each store's special needs. This is determined by the mix and strengths and weaknesses, as we discussed earlier. We purchase with the merchandising concept at Worlds of Fun on breadth and first depth. We carry in our park approximately 4,600 different items. We buy on the breadth principle, but this is not necessarily telling you that it is the best. We know that parks also are buying by depth. We purchase theme items as well as our general goods. We purchase expensive and inexpensive. We purchase with markup as much of a factor as volume. Again, what I am saying today is that the Worlds of Fun concept is that we purchase with markups as our key factor. Our markups will vary from shops, but the majority have a 63% to 69% markup. Of course, the high markups are hats, souvenirs, gifts, toys, so on. Low markup is drugs and tobacco and our film.

Worlds of Fun does utilize a computer and we have found that it is a very important part of our planning and our preparation. The computer gives us a weekly stock status, and a weekly activity list, which allows us to see where the merchandise is going. We do not have a computerized cash register so we do not receive a daily flow of item sales. We also take three complete inventories in the park a year. We are able to get what we call a sales analysis which is a complete on-hand and sales profit contribution--a history of every item that we have in the park. We have a sales

by store report that shows every item and what store it is in and how it is sold within the store. And then we receive sales by class report, sales on-hand by class, plus its total, cost of sales and retail on sales and profit as it relates to the departmental totals. The computer has given insight as to stock level versus sales, which I want to make mention here briefly. We had noticed that certain areas seemed to get an awful lot of attention because we are very strong in those areas, but discovered that the inventory on hand of what we had to carry, totally outweighed the value of replacement on certain categories.

Hats, as I mentioned, are one of the major areas in our park. Thirteen percent of our sales were in hats, but 9% was the inventory. We faced certain potential problems, such as our giftware classification that contributed 10% of our volume but on hand inventory levels, they represented 12%. Our jewelry, which we again classify as costume and rings, was 5% of our sales, with 15% of our on-hand inventory. So all of a sudden, we started to notice that we had to make some logical decisions here as to where we had inventory problems. Again the computer allowed us to find this out.

Merchandising can utilize all facts and figures available through electronics. We use studies, evaluations, et cetera, on reports. When it comes right down to the taking action on an item, the only course of action, as I see it, is for us to make a judgment decision. Merchandising is a science based on logic, judgment and that old gut feeling. Thank you.

CHAIRMAN BRECHNER: Thank you, Jim. The next step is training and orientation of training personnel. Don Miears, from Cedar Point, will be talking.

MR. MIEARS: Thank you, Milton. We have a slide presentation that shows the orientation that each one of our employees gets before he goes on to on-the-job training. Basically our merchandise division is broken down into four different departments. One of those departments is what we call merchandising, the other one is warehousing, and we have a craft section and we have an operations department. Our operations department is primarily responsible for scheduling shop layout, shop sales, training employees and other functions of merchandising. The department is responsible for buying, marking, pricing and all the functions relating to the physical park, itself. The warehousing function, of course, is responsible for storing the merchandise. Our craft section is responsible for the craftsmen, to make the merchandise and make the products on the premises. Our primary discussion here is with training. Before we get into the training program, our operations manager, Reese Hacker, is going to start a slide presentation that all employees receive.

(Film shown.)

MR. MIEARS: One thing I want to say about the training film or orientation film, as we call it, is it didn't just happen. It has taken a number of years to develop this film. It's taken a lot of training and a lot of thought. It's been changed a number of times and it is constantly being updated. One thing, as far as training goes, it's not a matter of telling the individual what to do, but it is a matter of telling an individual what to do, how to do it and why they are doing it. The why is probably the most important part of the training schedule. If an individual understands what

he is to do, if he understands why he is to do it and how he is to do it, it will become very easy for him to do. I know there's a number of people who are a little bit more difficult to train than others. And I think you take the ones that are easy and you train those first, and then you spend the time with the ones that need it most.

A major portion of training is followup. You follow up to see what impact you have had after a discussion with an employee has taken place. A lot of times a new employee refuses to ask a question, for the simple fact that he may think that it is stupid or it may sound stupid to him. One of the first things the trainer should do is to make it explicitly clear to the trainee that any question that he has to ask about the job is not a stupid question. If he doesn't understand it, he should ask the question, and that goes at any level of training, whether it be a manager you are training or whether it be a brand new employee. It's the trainer's responsibility to make him feel free enough to ask a question about the job that he is to perform. New employees, for the most part, when they start a job, are very nervous. Everybody has his own ideas. You give him everything he could possibly know about a job and the more trained, the higher trained, the more skilled an employee is, the higher your profits are going to be.

The new employee sees this orientation program and they can feel real confident of themselves, but they never really feel the input until they ring the cash register the first time or until the first guest walks through the front gate. After that first encounter, they then become a seasonal employee. I guess that the biggest challenge that you have as a trainer is to try to find out if that audience is receptive to what you are trying to tell them. You will know that when that individual gets out in the field and starts to do his job. Then you follow up to make sure that he is doing the job the way you expect him to do it and that you want him to do it. If you perform these functions and train your employees the way they should be trained, as I said before, your profits will be greater, the job will become much easier for you and you will have fewer overall problems.

CHAIRMAN BRECHNER: Thank you, Don. Our next speaker is someone who is not a member of our association as yet, but, hopefully they will be joining. I thought it would be a good idea if we brought someone in from the outside. They are in merchandising. Millions of people pass through their gates, and this is the St. Louis Zoo. It may be a good idea to show how they deal in merchandising. I'd like to introduce Joe Whittington.

MR. WHITTINGTON: Thank you for the introduction and invitation. The business department at the St. Louis Zoo takes care of all of the purchasing: food, beverages, souvenirs and novelties. Let me explain a little bit about the St. Louis Zoo. We think it is the second best in the country. San Diego probably is the best. The entrance is free, so we don't know exactly how many people come in, so we don't have an exact per capita expenditure figure.

We have two crowds at the St. Louis Zoo; we have the spring crowd, which I call the school group crowd. Then after about the middle of June, we get the tourist people coming in. And that's when we start selling souvenir items. We sell about 120 dozen giant combs that say "St. Louis Zoo" a year. We do 80% of our business in May, June, July and August. That's it. If we don't do it those four months, we don't do it.

As far as the souvenirs, in the fall, we see every salesman who comes through and we place the orders. We ask for March delivery or sooner, with March billing. We don't have to pay an inventory tax because we are a political subdivision. After buying for four years, this year I found out that a lot of companies are just glad to deliver merchandise to me in November and October and not bill me until March.

Here's why I see everybody that comes through. Number 1, we are always looking for a new item. If you don't look at lines of merchandise, you are not going to find new items. Number 2, if you get very well established with a company and place a good percentage of your business with them and they should go out of business or their salesman for some reason should leave, you've got to know where you can get the merchandise that you have been getting.

After I talk to these guys, I analyze inventory, I check prices on items. I look at what delivery was like for the different companies last year. If I have a tendency to get one company, and they are a month late in '76 and a month late in '77, then I may pay a nickel an item more to get it from another company to get it to me in March. And then we look at where it is coming from. In St. Louis, as everywhere else, the freight from the West Coast is about a third higher than the freight from the East Coast. So that's another thing we look at. We buy in case packs also. It costs money for a supplier to break a case pack. If we can't take a case pack, we don't buy an item. If you can't take a case pack, there's no need in having the item in inventory in the first place.

I don't know how it is all over, everywhere else, but at the St. Louis Zoo we get by with selling hats, T-shirts, albums, balloons, pennants, film. We don't have to worry about anything else. I was surprised that Jim said that balloons were not that big an item at Worlds of Fun. They are real big at St. Louis Zoo. Another thing I'd like to point out is when a salesman comes through, I say, look, if you aren't going to make delivery I'll buy it from some place else. I may have to buy it from a jobber. But if it is an important item in the line, I've got to have it and we will get it wherever we can. We have never sold anything that's on a freighter boat from China, or out of the warehouse, for that matter.

I'd like to say something about souvenirs on imprinted items, like ash trays, salt and pepper shakers, purses, billfolds. When I first started, there were some items you could get 60 dozen, then we could get 120 dozen, and now it's 300,000.

We have the idea that a lot of people, if they want a nice ash tray or a glass or whatever that is animal related, don't necessarily want it to say "Souvenir of St. Louis Zoo." Everybody did real well, I'm sure, with clear, acetate visors this year. We couldn't keep enough on hand. I was ordering them, 120 dozen at a time, 60 dozen plain and 60 dozen imprinted. They went so fast, I don't know which did the best. But I did see this. A lot of times with a family of four, Mommy and Daddy would have a plain visor on, and little Joey and Sissie would have on a visor that said, "St. Louis Zoo."

This year we went through 104,000 balloons. Some of that's breakage. We get our balloons from two sources. The reason we do this is every once in a while, you get a run of balloons that are

all bad. So if we get a hundred thousand bad balloons, we are not in very good shape. If we get 50,000 good ones and 50,000 bad ones, we're twice as well off as we were. We blow our balloons by hand. This is time consuming. We don't have to pay the minimum wage, so labor is not a factor. We mix air with helium. Helium is the big cost of balloons. It's not the balloon. It's the amount of helium in the balloon. And we fill the balloon partially with air and check for leaks, then we put helium in it. We have our helium on contract. It's a yearly contract because we get better prices that way. We save 2¢ a cubic foot.

When I first started, the girls in the stands had a real neat deal. They had everything that cost a quarter in one section on the displays. Everything that costs 50¢ here and 75¢ here, household items in one area, the things you wear, hats and T-shirts, in another. All the animals, regardless of what they cost, are in another area. We found that some things you can hang and some you can't. We found that hanging mobiles and hats as being very successful. We don't carry name patches because there are too many names out there, and we don't carry birthstone rings. We don't worry about hats and T-shirts. They are real good items for us. I'm sure they are for everybody. I'm sure everybody here, including myself, overbought on this acetate visor because it was so hot last year. Look what happened to the surfer hat which was just two years ago. The surfer hat was real popular. Anybody want to buy some surfer hats that says "St. Louis Zoo" on them? I think with the adult and kiddie T-shirt we need to look at quality, and I think we need to change our programs and the design on them. We change our adult T-shirts, and every year, T-shirts have been doing better. Any questions?

CHAIRMAN BRECHNER: Now, we have gone from a couple of subjects, but an important subject is displaying the merchandise. If it is not put up properly and displayed properly, it just will not sell. Steve Brewer from Busch Gardens will tell us about this.

MR. BREWER: Thank you, Milton. Prior to a brief slide presentation depicting the displays and displaying techniques, which we at Busch Gardens in Tampa, Florida have found to be highly successful this year I'd like to briefly touch upon a philosophy that I feel is a common knowledge philosophy. It's a philosophy that everyone knows and sometimes has a tendency to forget. Basically what it is is to use each individual within each shop to bring the creativity out of individuals in their shops, to allow them to develop and work on their own displays. It gives them pride in their own shop. You also benefit from creativity with each individual shop, because one of the things in the attraction business is that a person may walk into a gift shop and see an item or display and walk into another one and see the same display and the same item and then assume that all the other gift shops within the attraction are the same and lose interest in penetrating all the shops. So it is highly important that individual displays created by those people within those shops are brought out, and, secondly, and most important for all of us in this industry, is that we have to go on the premise that a very, very small percentage of people visiting our attractions come to buy anything. They come to see the attraction and to enjoy themselves. We have to hit them with impulse items. When we are talking about impulse items, we are talking about displays.

Let's start the slide presentation. I broke the displays and displaying down into five or six major categories. An important

one is our initial penetration of the shops. We want those people to become aware of the gift shop. This is an example of what you can do in some areas where you have the ability to move part of your merchandising outlet to an outside area underneath an awning. This particular awning has draw-up curtains on the side. These are semi-permanent displays in a Moroccan Village; fortunately this type of merchandise for us at Busch Gardens fits aesthetically into outdoor theming.

It is important that when you are going to place merchandise in an outside area, that you, of course, place it in a high traffic area. You'd be really surprised what an outside shop can do to initiate interest at first and then draw people into the shop with some proper signage.

The next type of what we call penetration type displaying is to make some form of activity in an area. I know Don Miers at Cedar Point, really believes in this. He goes in for the craft-type items, the craft shops, and he draws people in through their interest in an activity in an area. People see activity, they see other people over here and they wander over to the area to see what's going on. And lo and behold, they find a little old Moroccan that is carving wood, using a lathe. It is interesting to them because he uses a knife in his right foot between his toes. He operates a lathe in one hand and holds another knife with his other hand to steady things. And that creates the attraction or activity within the area that we feel is very important because this is the last area before they leave the park. If we didn't get them here, maybe they will go on to the shop from here.

The next slide depicts outdoor signage which is important. And we also created activity during peak periods by having a wood carver from Africa who carves ebony wood. This is an example of an indoor-outdoor shop that's just as important as a game. You literally have to flash the joint. It's important that your displays be colorful and not necessarily be good merchandising displays. Displays should attract people and their interest to the area. The actual merchandise you are selling is in the trays on top of the counter.

In some instances, we all have a problem where it's too expensive for us to set up a display window or to remodel a shop to attract people into it. What we have done is show examples of merchandise available in a nearby shop. At the very bottom, a small amount of subtle signage saying "Items available in the gift shop" and an arrow. You know, every once in a while, you get a shelf that's recessed 40 feet back and there's no way to get them back up there. Simple signage, something not too obtrusive but something simple, such as a flea market. That's a big activity these days. It will drive them into the shop. Then you can go to something, maybe a discount shop or a slightly damaged or 10% sale, or something like that, to draw the people in. They are still looking for bargains. Grab bags are still good items.

The next important area in displaying and display techniques is inside the shop. If you can get that presentation, you have got them. And you zap them with major, good quality wall displays. I'm breaking the presentation down into five categories. I call this category just the wall display types.

One of the best categories of all time has been the small display and will probably remain so. With any type of display, es-

pecially in the cosmetics industry or the fragrance industry it is important to make it bright, cheerful and readily attractive with a lot of lighting. You need a lot of candle power for merchandising this type of item. It's important that signage be explicit, that the entire area be seen. The packaging is themed, and that's about the only way you can truly sell cosmetics and items of this type these days. An example of what we tried to do in one of our German shops is to display steins with under stock in the bottom. We wanted to give items such as this space, space to have their own individual integrity. You don't group them like you would glassware, naturally, too close together. Give them their own individual sales area.

The next category is what I call divided or bend displays. They are important, because what they allow you to do is break up that very valuable wall space into individual sections, 4, 5, 3 foot sections, and give an entire look. Our dark Busch Gardens glassware and ceramics were poor sellers at first. We started out very badly. They didn't have their own individual section for the entire look. They sold poorly. We moved them to another bin. We threw in some netting, some good signage and sales quadrupled. In our candle shop we sectioned off a wall by using three 4 foot sections and took items selected for color. The important thing about displaying things like that is more people go into an area, especially a candle area, thinking about the decor. They are thinking about their own motif or theme of whatever they want. And they are going to go right over to the pink section if they want pink. And they'll buy more than one item; whereby, if you were to display these among the different display areas and group all the candle holders, you won't get those increased supplemental sales. It's more difficult to control, I'll grant you, but it does increase your sales dramatically.

One more example is vertical integrity within a small section like an entire area of dolls. The most difficult thing about these sections is that you are going to run into areas that are high. They are not valuable sale spaces. What do you do with them? You can show coordinated tops and shorts sets over the top of what is out of reach or out of any good eye level sales area. Next area of discussion will be floor displays. There are a number of interesting displays that are being utilized. We all know the success of T-shirts. They are going to be around for a long time. The styles are changing. People are looking for a little higher grade shirt now than they have been in the past. But the difficulty is merchandising the shirts. You can merchandise and display at the same time. You see examples of styrofoam busts, which can be purchased from any number of display manufacturers. The styrofoam busts line the entire top of the shop all the way around. People can actually see the style shirt that they want and go to the rack. This is important. We have increased sales 40% in the shops since we tried this method. They will go to a rack that is all larges or all mediums or all smalls, and can, therefore, know that everything on that rack will fit them. What is important, though, during busy periods of time, is that you keep a salesperson running merchandise out on these racks all the time because sometimes they will only go for a small in yellow with one design on it, and you can only merchandise so much on these racks.

Another example of a floor display that can be coordinated with the wall display is ceramic-ware. We all know that it is slowing down. It has had its biggest run, but it is still good.

It is especially good if you can coordinate it in a vertical type of display which allows its own integrity. It's got its own area and people will buy it much better than if it were separated into all the tooth pick holders here and all the ash trays here. This mug rack was replaced and saved us a lot of money. We were able to put as many mugs on this rack as were formerly on a 20 foot wall, and it takes up very little floor space. That's the important thing in square footage. In those shops, every square foot is worth money.

We weren't selling candle rings well when they were grouped on the wall. We put them everywhere; they add color to the display; they started selling again and we are buying them again.

Our curio shop is difficult to display inasmuch as a lot of the items are pickup items. They are small items. I am not a believer in glass display cases, because they do require sales attention. They are nice for display but you are not going to get any money out of it. If a display doesn't bring you money, it's not a very good display. We just use some wicker and straw, things such as that, and wooden boxes and some leather in this area to give it just a general theme. Signage is important. Information signage is very important, especially in items like that.

To keep things neat and orderly, shelves are adjustable. They are symmetrical. In other words the other side can be themed differently from this side. The end caps, the sides are made out of pegboard and you can do anything with your polybag items. But don't forget, whenever you are using the pegs and the peg hooks, make sure you have those rubber tips on them because they are always down at the children's level. Another example of a display which is versatile, but only to items that can be stacked in groups. However, it can be modified by using the wicker baskets for seasonal goods such as Christmas decorations.

Next category would be vendor supplied racks, and we all know what we get. Would you pay \$28.00 for a wire rack? Work with the vendor. There are a number of vendors that you can work with. Just tell them basically, if you want this merchandise to sell, this wire rack is not going to promote the merchandise. We want to display the merchandise in the best manner and fashion available. Build a box and carpet it. Eighty percent of the vendors you talk to will actually help you with your expenses. Build some blocks. You can make your own sign or have them make their sign for the top rather than the signs that are available. It is important to work with the vendor, especially a jewelry vendor regarding merchandise and displays that will help, not hinder sales. One of the most important things in the world for jewelry is for people to get their hands on that jewelry. Maybe you have decreased shrinkage or pilferage by 10 or 15 percent. We did a study. In one case our sales went down 80% when we put this inside of an enclosed case. This particular jewelry display is provided by the vendor to display his merchandise. It is a pilfer proof display. It has the buttons in the back that someone, sales girl can push, and allow them to pick the ring up, try it on.

The next item or category has got to be clothing. It's one of the most successful new categories we have at Busch Gardens. People can still get T-shirts everywhere. With a little bit of research, you can come up with some really fantastic buys in clothing. We have turned a toy shop into a clothing shop and our sales have quadrupled. The markup is very acceptable on clothing. And

displaying clothing is easy. You can take a dead sales area and turn it into a display area. It should be a flat, blank wall.

A display using the waterfall fixtures, coming off the wall method. Movable display. The flash brought out the signage. Make your own signage. Have a number of signs sitting around so that you can promote different items such as the clothing here. Move it toward the front and attack them as soon as they come in.

It's important that you really utilize the register area. This is what you really have to go to. These are little pickup items. They are in the register area. Normally they are highly pilferable items; therefore, you've got closer supervision and the attention of the employee. This square footage here does as well as any other square footage in the entire gift shop.

That does it. Are there any questions? Thank you.

CHAIRMAN BRECHNER: Thank you, Steve. Now that we have had education on display, we have to move the merchandise from the warehouse into the secondary warehouses, into the shops. Fabio Giro from Enchanted Forest is going to tell us a little bit about that.

MR. GIRO: I'm going to try to tell you a little bit about the park first of all. We are about 10 miles west of Michigan City. We are in the Indiana dunes area. It's a park of about 20 acres of park and 15 of parking. We have 26 rides. We are mainly a picnic family park. We are not open at night. I also have in the park my own concessions and games. We have a large gift shop in the park. It's approximately 40 by 100 feet. About a third of that gift shop is stock room. We feel it is important to maintain your stock, so that when you do need your stock right away, you can get to it immediately. You don't have to run out of the building and keep the customer waiting.

Let me tell you that the main things in our gift shop are jewelry, T-shirts and towels being close to the lake. We have a lot of salt and pepper shakers, other types of items that are easy to move; most of the items are under \$4.00 on the floor. Everything behind the counter or upon the wall are better items. They are worth \$4.00. We found it is better this way to control theft or breakage. I'm sure most of you have your own systems. I am simply going to tell you what I follow through.

We simply have the merchandise delivered to our main stockroom. Surprisingly enough, our main stockroom is smaller than our secondary stockrooms, because they are on location. In other words, by the gift shop, by the games, behind the games. Our main stock room is simply used for the pricing of the items, checking to make sure things are delivered according to what we have ordered. At this particular time, everything is distributed, to the gift shops or to the different games in the park.

We are a smaller park, so, therefore, labor can be very costly. We do have people that will price things for us after we give them the price list. As far as the games are concerned, we don't have what you would call a tremendous amount of stock, as far as the gift type items. We have mostly the plush and not many little items. I find this to be very advantageous to us because of the fact that when it comes to inventory time and we have to count these little items, it takes us forever. That's number 1. Number 2, we simply don't have the time in my type of organization

to have people doing this for us all the time. We take inventory maybe twice a week for the games, keeping the inventory always updated with the latest. For the concessions I buy most of the items that come out on the market. I don't believe in keeping stock forever in the stock room. It's in the stockroom because you bought so much, you just didn't have enough room on the floor to display it, and it sits in the stockroom for two or three seasons. My feelings are that you are losing money. Some people might say, well, we got a better break on the price because we bought volume. That's fine. But in general, I don't believe in keeping merchandise, especially for the games. So much plush is coming out now in different colors. You are going to flash up your games every year with these different items, and you cannot do this if you have your stockrooms up to the rafters after the season is over. So mainly, the games are usually pretty much down to the bottom by the end of the season. I would normally order approximately 10%, 15% more than what I think should be needed for the display and the give-away percentage.

I'd like to get a show of hands of people that have one stock room, and then take it directly to the game or to the display area.

(Show of hands.)

I am talking for a park that is not a large size park which handles a tremendous amount of merchandise. I'm talking about the smaller type parks, the two or three hundred thousand people category. The stock really is a main thing in the park. My feelings are the following: people come in and ride the rides and they can ride them for so long. The adults are going to start walking around the park real soon and start looking for something, whether food or buying items. If your stock is not updated, if your stock isn't something unusual, they are simply not going to buy anything. Keep the stock rooms in order so that you bring your stock out as it comes out on the market. In other words, your old items, you should bring them up and get rid of them. They are not going to do you any good in the stockroom. Put them out. You may have to cut the price. This is done by a process where we have everything categorized in the stockroom so that the new items are seen as you walk right away into the stockroom. This helps the people who are working there and it shows them exactly what new items are available that season.

As far as games are concerned, again, I stress the fact that we don't believe in keeping a lot of merchandise in the stockroom in the winter. It's just a lot of maintenance as far as making sure they are kept in a well ventilated area. You have to pack them, check them and everything. About the middle of the season our main stockroom is almost empty. Our secondary stockrooms are pretty well filled up by then. If you need a new item, like we see something that comes out and we feel we should buy some dozens of this particular item, we go ahead and buy it; by the end of the season, we are pretty much out of everything in the main stockroom.

You have to buy the imprint in quantities like somebody else said. Pretty soon, we are going to have to buy 300,000 pieces. A smaller park cannot afford to do this, so we have to buy in small quantities. You have to keep the imprint in the area where there's control of them. They are usually popular items in our size park. Kiddie T-shirts, for example, are a hot item. For quite a few years the inflatables were very popular. Now, you couldn't even give them away.

Really this is about my part in the particular business as far as the stockroom is concerned. If there are any questions that anybody wants to ask at this time as to how we do our pricing or anything as far as stock is concerned, as far as merchandise, I'd like to open the floor for questions right now.

A VOICE: What do you do with fad items?

MR. GIRO: The buying is done mostly by my wife. I am involved mostly with the games, so if anybody can answer the question on the panel, I would like for them to.

MR. WEITZEL: All we do at the end of the season is to put them in mystery packages. I avoid buying fad items, to begin with, to eliminate the problem before you start it.

MR. BREWER: A number of vendors will allow you on fad areas. They will give you guaranteed sales.

CHAIRMAN BRECHNER: Thank you, Fabio. Now, Allen Weitzel from Frontier Village in San Jose, California.

MR. WEITZEL: I'm Allen Weitzel from Frontier Village, San Jose, California, director of merchandise and games. Today we are going to go into the basics of guest relations inside the shop. By basics, I mean simply ideas that should be used in employee training effectively to handle your store customers. Now, you are all professionals. I'm probably going to cover some points that might seem trite or minor to you. Some of you don't have gift shops at all and those are the people I'm trying to direct this whole program to.

The first item is suggestive selling. And the main key to selling is service. Remember, there are two types of sales, the guest who knows exactly what he or she wants, and the guest who's just looking. When the guests know exactly what they want, all you have got to do is fill a need. When a guest is just looking you have to acquaint that guest with the merchandise in your store and your sales policies. Try to train your employees to do the following items, to help your guests with suggestive selling. Always try to vary the greeting. Don't always smile and say, "May I help you?" Try something different like, "Can we show you something special?" Try and get a variation in your approach. Otherwise, you'll end up with your people sounding alike.

When a guest enters your store, acknowledge their presence. If you are busy with another guest, give a big toothy grin and let them know that you see them and that you are going to take care of them. Most guests can only concentrate on one thing at a time. Don't try to sell them two or three things because you are in a hurry to make a sale. Concentrate on one thing at a time. Remember an undecided person is easier to sell than a person who has already established what he or she wants. If someone comes in the store and wants Tri-X-17 film, and you don't have it, he already knows what he wants and he's going to walk out. But if that person comes in for the first time, just looking around, you might be able to sell him anything. Never be shy with a guest. Go right up and say "hello" to them. Don't be afraid to suggest a new item to a guest. A lot of times you say, "I've got T-shirts." They don't want T-shirts, so you give up on them. Don't do that. Once you have a guest that has decided to buy, don't keep on selling the item. Stop while you are ahead. Don't shame a guest into a

sale. Try to ask questions that will evoke a "yes" answer. "May I ring this up for you?" "No" is the hardest word in the world to say. Remember that. Always tell a guest the total price on the item. Don't lead them into thinking the item is cheaper than it is. Be sure and include what the tax is and so forth, so there's no embarrassment at the register. Most important, make yourself and your employees available to the customer. Don't let them hide in the background. Offer payment plans for whatever your store policy is, cash, checks, bank cards. Make sure your guest knows what your policies are. If you are going to take BankAmericard, have those signs out. A lot of people are afraid to ask, "Do you take BankAmericards?"

Understand that each guest is different with a different need. If he wants to talk, talk with him. If he wants to browse, leave him alone. Smile at them. Try to know each item in the store, know what's on sale. Don't be disappointed or upset if a guest does not purchase anything, because you have to remember that most people that come in the store in the morning look around. When they are ready to leave in the afternoon, that's when they are going to do the buying. If you are rude to them in the morning, they may not come back to the store. Don't misrepresent the facts about the merchandise. If the green widget will only spin to the left, don't tell them it will spin all over the place. Ask a guest if there is a particular item he or she wants, especially sizing T-shirts. That's very tough. If you don't approach them and ask them if you've got the size they want, if you don't get it out of the backroom, you have lost a sale. Don't bother the guest with your ideas or opinion. If he asks your opinion, give it to him, but be succinct. That's short. Suggest related items. If a guest wants a pair of slippers, try selling him Indian-made moccasins. After you have completed a sale, be cordial, thank the guest for coming into your store. Train your employees not to be afraid of your guests.

Have plenty of registers in your store. Have them at opposite ends of the doors, so that you can catch shoplifters. The largest increase in sales at Frontier Village occurred when we installed four registers in our main gift store. Keep small impulse items near the cash registers. Register counters should be waist high for employee and guest comfort, also low enough so those little ones can put their pennies up on the counter. That's very important. Have the register counter large enough so that guests can put multiple items on the table. If you have small register counters cluttered up with a lot of junk, people are going to be reticent about coming up with other items. Keep tax charts on the registers for easy employee viewing. That's very important. Never allow an employee to leave a cash register unattended. When handling cash, have the employees count the money back to themselves and then have them count it out loud to the guests. One thing that will help you on cash control is to keep the cash on the register ledge until the sale is complete.

Train your employees on your store policies for foreign money. By that, I mean Canadian and Mexican money, travelers checks, bank drafts, personal counter checks. Be sure all cashiers are trained on how to handle guests who claim they were shortchanged. A lot of them will claim it. Never make up money to a supposed short-changed guest on the spot if you are in error. Mail the refund to them. Our policy in the store is to take down his name, address and phone number and we will mail a refund after we check the cash at the end of the day. Train your employees and cashiers

on how to spot a short change artist or counterfeit money. You can get brochures on this information at your local Federal Reserve Bank. Train cashiers on procedures to follow in the event of a holdup. We always say, it will never happen to me, but it does. Avoid having large sums in the register at one time. Do not leave money on the counters. Close your register drawers after each transaction. Have a responsible person total out the registers at night. Do not leave subtotal keys in your register. Have your management employees subtotal it, if you want to see a total. Don't just send some rookie out there to total it for you.

Train one head cashier to do all the cash training on every employee who handles cash. Spend time with them. It is going to pay off in the long run. Keep your registers locked when they are not in use. Here's a little trick I picked up on. We don't have expensive computer registers in the park. We have old manual push-down type registers. What you can do at the end of the night, you can pull that drawer completely out of the register, all the way out, and look inside, and you will find bills stuffed up the back. I'll find fifty or sixty bucks some day, walking around checking our registers personally. If you have cashiers have them check all items that are leaving your store, especially cedar chests that might have little items that people have hidden inside. Do not allow old cash register tapes to be thrown in the garbage can next to your register. Shoplifters will pick those out, they will attach them to a bag and walk through the store. Try to avoid that shoplifting trick. Try to assign one register to each employee.

Bagging techniques. Never have breakable items in a bag with heavier items. Try to keep them separate if you can. Try to purchase bags that fit the merchandise that you are planning on buying. When you buy your merchandise at the beginning of the year, buy your bags for the size of merchandise you want to buy. Consider purchasing merchandise boxes for some items instead of bags. In some cases merchandise boxes are cheaper than big bulky bags. Keep that in mind. Try to keep the bulky items, small appliances, lamps, et cetera, in the original cartons, so the receipt can be taped or stapled in plain view. Bag primarily the items on the basis of size. Do not bag items on the basis of weight. A small light weight plush toy will fit into a light weight bag. Do not bag heavy items over the open floor. Bag them over the counter. Don't have a bag open and drop an item. You lose a lot of bags that way. Do not give out bags to guests who are not purchasing merchandise. Shoplifters sometimes ask for an empty bag from one store so they can steal from another store. Do not use printed shopping bags for your scratch paper. After bagging a guest purchase, staple the receipt over the top of the bag so your store people can look at the bags as they come in, if they are shopping in another store and control shoplifting that way. Also, be wary of possible shoplifters who ask for larger bags to consolidate their items. They just may want to shoplift in another store, and a larger bag allows them to do that.

Price each item in the store, every item, to prevent guest questions. It allows for better employees and it prevents wasted price check time at the register. Also, the employees can wait on more people, so they put a price tag on every item. With a feature bin, use an overall price sign so you can flash it; but you may want also to price-tag every item in that bin as well. Use a professional marking price tag; don't hand-write price tags because people could change prices on you. It also allows versa-

tility, the types of price tags you can buy special color discount ones or whatever. You should also include the cost of your freight when you are pricing items. It's very important. Price your items according to replacement costs. Avoid dropping prices of items in the store. Relocate it in the store if it doesn't sell. Put it in a surprise package if it doesn't sell. Try to take higher mark-up items that guests are not familiar with. Once again, if you are selling green widgets in your store and they don't have them anywhere else in the county, you can have a high mark-up on that item. Be sure you charge sales tax if it applies in your state. Check with your state board of equalization and find out. It's very important. Put price tags on a spot on the merchandise where it will not damage the merchandise. That might vary with each type of merchandise. If you put a price tag on a leather item, they are going to rip the leather item apart when they take the price tag off. Place the price tag in a spot where it can be read on the merchandise without messing the merchandise up, so you don't end up with people breaking the merchandise when they pick it up to look for the price tag. Be sure you price your merchandise with your invoice price plus your freight. Don't assume that the price the salesman quotes you is the price that you are going to be billed for.

A couple of things on store cleanliness. Let's cover a couple of basics: (1) have your employees dust your shelves from the top down. Good grooming is important and reflects how clean your store is going to look. Employee appearance sets the image for your store. Sloppy employees personify your housekeeping approach. Your employee appearance must tie in with your store. Maintain the same employee standards throughout the store. Maintain equal uniform standards. Schedule your most cleaning conscious employee during your slow periods. This person is going to do more for cleaning up your store than people coming in with rags. Remove broken items from your displays as soon as possible. Also replace dog-eared signs frequently. Have your best employee with the best handwriting handwrite your signs if you don't have a sign machine. Keep your storage counters uncluttered. That's also important. Don't allow personal items in the store such as purses, coats, jackets. There's lesser employee shoplifting. Be sure to keep your store clean and also have ash trays and sand urns. It's very important. Don't ignore washing windows.

Put cleaning supplies away, when they are not in use. When you walk into a store and there's a mop sitting behind the register, it looks like heck. Clean up spills and floor debris to prevent guest accidents. Keep your cleaning equipment in good working order, a new broom, new mop heads. Inspect garbage going out the back door for possible theft and mishandling of your merchandise. Have your display walls painted with a light colored paint, so it's easy to see dust and dirt. To avoid the cluttered look, don't have big globs of scotch tape holding up signs and displays. You can get double-stick tape that will hold up your signs very nicely and be out of sight. Replace light bulbs.

Keep the back rooms neat and clean. This will eliminate wasted time searching for stock and reduces fire hazards. It increases employee safety and allows you to know your inventory on hand which is very important.

Handling guest complaints. I'm not going to tell you what your store policy should be. That's your decision; but a couple of things to remember in training employees to handle guest complaints: (1) talk to your guests who are complaining away from

the other guests. Don't let your regular customers overhear your problems. Take them off to the side and talk to them. Have your employees be patient; do not argue with the guests. Make a satisfactory adjustment, if you can, and try to satisfy the complaint by giving back merchandise or store credit. Do not return cash if you can avoid doing so. You might make a sale. Remember, only authorized employees should handle a guest complaint situation.

A little bit on shoplifting. You might find it better to spend your time preventing shoplifting than you will trying to apprehend those people running around in your park. To do that, be alert for large groups of kids in your store, who will try to confuse you. When kids are in the store handling merchandise, don't be afraid to walk up to them and say, "Hey, would you like to pay for that now? What have you got there? Can I help you?" Don't be afraid to confront them. If someone starts to walk out of the store, ask him if he wants to pay for that right away. Know your law. Does the person have to be out of your store or off your park premises to be considered stealing? That's very, very important. Most people think that if they walk outside the store, that's shoplifting, where in some states they have to be off the property for it to be considered shoplifting. Look up from the cash register when you are ringing up. Shoplifters usually work while you are busy. Occasionally maybe some kids will split up. One kid will go to the cash register and bother your employee and ask questions while the rest of them are ripping off the back of the store. Try and keep an eye on it.

Don't allow your employees to do homework on the job, read school books or whatever. Remember, adults steal too, and an adult is less likely to admit that he is stealing. If you have a possible shoplifter, approach him and ask to see the merchandise. Once you have the merchandise in your hand, ask to see the receipt. Mark all items with security tape. It's just imprinted tape. If they say they lost the receipt or they paid for the item, tell them that if they bought the item, they should have the receipt. If they still insist that they paid for it, say, "It looks like we have a disagreement here. We are going to have to call in an unbiased third party." "Call anybody you want." You say, "Okay, we'll call the police." They start getting a little shaky and they usually leave with you holding the goods. Maybe you haven't caught a shoplifter, but you have gotten your merchandise back. When you are handling a shoplifter with a group, divide and conquer. What you do is maybe one of your store employees takes care of the group. You take one member of the group away and talk with him separately. Compare stories. You will find out a wealth of information.

Who do I look for as a possible shoplifter? Customers just hanging around handling merchandise without making any obvious effort to buy, customers who carry merchandise from one department to the other, customers wearing loose coats, customers wearing unseasonal clothes such as raincoats when it is not raining, customers carrying anything from bags to umbrellas. A handkerchief or pair of gloves can conceal items. Customers who try to engage in meaningless conversation, customers who appear to be drunk, customers who are almost impossible to please, who want to look at everything under the sun. That's especially important at jewelry counters. Once again, you can't sell jewelry unless it is out for display, but keep an eye on it. Only put up what you can conceivably control. Customers in crowded counters, customers, particularly teenagers or juveniles who are in your store in groups

are particularly dangerous for you. Friends of your employees waiting in the store to talk are great suspects. Customers who seem to be nervous or exhibit jerky motions could be trying to conceal merchandise. Some perfectly honest customers are going to act like shoplifters and it is going to take a lot of experience to spot the real culprits. But a wide awake salesperson is going to be your best bet to prevent shoplifting and they can be your best bet by allowing them to serve the people as quickly as possible. Don't allow counters to become cluttered. Don't turn your back on customers. Never leave your station unattended, and be familiar enough with your stock to be able to tell immediately when price tickets have been switched.

More important than shoplifting is customer good will; don't antagonize customers in good standing. Train employees not to accost or attempt to stop shoplifters. Train your employees to alert security when shoplifting occurs and have the employees give descriptions of shoplifter clothes, not faces. How many of you can tell what your best friend looks like all the time? Faces are very tough to remember, so remember clothing. Not that many people can change clothes inside your park.

A few words on preventing employee theft. Use under stock counters for your personal packages and odd merchandise. Restrict unauthorized persons from entering your storerooms, especially employees' friends or relatives. Set a good example. Don't let employees do things you wouldn't do such as sample candy, take home merchandise and pay for it later or put money in pockets to be rung up later. Make sure employees know who their boss is. Sometimes employees get loose because they don't feel responsible to anybody. They don't know who their supervisor is. Make sure they understand that, make sure they understand who they answer to. Have employees answer immediately to their supervisor when they are over or short. Don't let it drag on for three days. Do not allow personal belongings in the shop.

The last subject is public-store relations. Every employee in the shop should know who to call and how to locate them in the event of a guest complaint. My personal pet peeve at Frontier Village is for my supervisors not to have alerted their employees where they are going or where they are. We should always be able to have employees locate a manager or supervisor immediately if there's a problem. Try to solve all guest concerns inside the park. Once a guest has gone home, they are twice as tough to handle over the telephone. Go to the guest. Don't make the guest come to you. Channel guest relations through one person who handles all the following: merchandise exchanges, complaints, check cashing, refunds, lost guest articles, short change situations, employee training and guests who break merchandise. Last point is always get the employee and the guest stories down separately before you make your decision. Thank you. I hope I have been some help.

CHAIRMAN BRECHNER: Thank you. Our next speaker will be David Cook who is going to tell us about, "There Is More to a Souvenir Than Just the Attraction's Name."

MR. COOK: Before I begin my topic, I'd like to briefly tell about the park. I represent Canobie Lake Park. It's an amusement park located just over the Massachusetts border in the town of Salem, New Hampshire. New Salem, New Hampshire is 30 miles north of Boston, Massachusetts. Our park consists of 33 rides, 10 games, two

arcades, skee-ball, fascination, shooting gallery, zoo, gift shop, 10 food stands, and we draw an attendance of half a million people. In this industry today, as has been for many years past, the word "souvenir" has always meant the same, any article with the attraction's name on it available for guests to purchase. When we think of souvenirs, we picture in our minds a salesman's line of goods in which every piece of merchandise is available for customer imprinting of the attraction's name. Now, 99% of the time the minimum order for each stock order is 120 dozen. A typical salesman's line of goods is bound to include both plastic and ceramic trays, metal; plastic coffee mugs, metal mugs; salt and pepper sets; paper weights; cigarette lighters; shopping bags; pillows; tom-tom drums; dishes; coasters; shot glasses; ash trays; juice glasses; paper pads; tumblers; goblets; playing cards; metal pins; pipes; banks; plus many other additional items. My point is how much exactly can your guests stock of these items every year. It is time to look for a change. Regardless of new editions of merchandise, it's still basically the same.

In the 1977 season, I felt the time was ideal to introduce a new concept of merchandise to the world of souvenirs for 1978. It wouldn't be just any old useless piece of merchandise such as a giant comb with your attraction's name slapped on it, but an item directly related to an important feature of the park. This new type souvenir would also remind the guest of his special day he spent in the park because he met this character in person while there. At this time I'd like to go into the background which gave rise to this new type of souvenir and how you may experience the same with your attraction's characters.

While attending the 1976 IAAPA convention in New Orleans it was decided by the park management to purchase some costumed characters to greet and entertain our guests for 1977. Upon exploring all possibilities of each manufacturer, three characters: a dog, a bear and skunk were purchased from a company which was believed to offer the most for the park, not only in price but also in quality. The 1977 season wore on. Winslow, our dog; Boris, the Bear; and Ollie, the Skunk came to be known as the Canobie Critters. The reaction of our guests to the critters was watched closely and we found it to be overwhelming. The critters were on hand down at the park to greet our guests as they arrived and to remind them that they were in the happy land of the Canobie Critters. For the remainder of the day, our characters went about on the midway for our camera-minded guests to get a photo with their child.

Canobie Lake Park was one of the first amusement parks in New England with costume characters, and it assured me that the potential did exist with these characters, especially in the merchandise line. By mid-July, 1977, definite plans had been made as to how our characters would be tied into the merchandise. One of the main aims of 1978, I had decided, was to have plush animals made up of the characters. Now, why this? I knew that every youngster would insist upon bringing home his favorite critter to take to bed with him. This plush critter would be the closest he could remain to his fantasies of the live one he saw in Canobie Lake Park. If we wanted our characters to be successful, then they would be, only to the extent that we made them. If animals had to be used in the park, I decided we might as well use our own characters rather than some other animals. Based on the reaction of our guests, we decided to test our fellow amusement park members.

When Canobie Lake Park hosted the New England Association in

August of 1977, at the dinner on that evening, our characters made an appearance and everyone marvelled over them, including a well known plush animal manufacturer, an importer. He remarked to me how nice our characters were. And I replied it was a shame that no one would come forth about doing a custom order on them. After exchange of many color photos of our characters with him, he finally acquired a very good seamstress to do a rough sample of each of our critters. I insisted that the plush animals in the finished state had to have a 99% resemblance of the real character. Finally, in November, 1977, at the IAAPA convention, I got to see the work of the seamstress and loved our plush characters.

At this point three important factors had to be discussed. It was important that the plush characters be of good quality. From the start, I had decided these plush characters be made out of the finest plush material available in order to assure that they wouldn't drive me crazy. I also knew that our guests would be interested in a fine piece of quality merchandise for a change. To further add to the quality, it was decided that each character be made to stand individually. For identification purposes, each character was also to have a copy of the park's logo attached in the upper chest area. Second, the minimum quantity had to be discussed, how many dozen should the manufacturer expect the importer to buy? A final figure of 150 dozen of each character was arrived at, which proved to be satisfactory to all. Thirdly, and most important, how much would each character cost? The characters had been placed in a certain price range due to my insistence upon use of good quality materials and other minor but important details. However, the main thing that determined the price was the size of each character I had chosen. Based upon this, each was to cost \$2.50 each or \$30.00 a dozen. The last step, the three samples that the seamstress had made were then sent to the Orient in order to obtain a machine cut of each character. It was not until March of 1978 that I finally got to see a sample of the finished product, at which time approval was given for the total order of 450 dozen of Canobie Critters.

At this point I would like to stress the time factor in planning something like these characters is extremely critical. As in this case, it took from August of 1977 to March of 1978 just to arrive at a sample finished product, while delivery of the complete product was not until June of 1978. For anyone who may have an idea about doing this with your character or characters, it is already too late to accomplish this in time for your 1979 season. Why not start now to allow ample time to prepare for the 1980 season? This is the kind of merchandising which is not an overnight accomplishment. Imaginative thinking, careful planning and precise timing all must be utilized to assure successful creation of a souvenir customized, a specific feature of your attraction.

At this point I'd like to conclude by telling you what happened in 1979 with our Critter, both real and plush. On the real side, the park's assistant manager wrote and produced a 15 minute show for the critters which is presented several times daily on the park's midway stage. At the start of the show, each character introduces himself to the audience by means of a song except for Ollie who chose to play a hard rock guitar. The show then developed into a popularity contest with each character presenting an act. Ollie managed to steal the show with his imitation of Farrah Fawcett Majors and even the Six Million Dollar Skunk.

The critters then came on stage for the audience to decide the winner of the contest for a final bow. The show attracted many guests each time it was presented and exposed the critters to a lot of guests. The plush critters turned out to be favorites of everyone. It was not unusual to see plush critters in the arms of many people less than 30 minutes after opening the park. Even our importer could not believe this when he visited the park in mid-July. The plush characters could not be purchased in the gift shop because we have our gift shop on a concession basis. So the only place left for merchandising was in our stands. Each character was isolated so that all three characters could not be won from the same game. I did this for the reason that I wanted to entice our guests to play the games even more. Just about everyone had to have all three of the critters.

I have heard many stories this past summer about these plush characters. Many of our guests came to Canobie Lake and wanted one, only to have to return the next day because Joey insisted on having the other two characters. I questioned one lady as to why she was carrying around five of our characters. I was interested in seeing what had motivated her to win so many of these. Her comment to me was that she knew when something was worth something. Believe it or not, it just got to the point where I could barely keep the plush characters in the stands. In some of the stands, it took two wins to get a critter but that didn't make any difference to our guests.

Canobie Critter merchandise has just begun in the park. There's plans under way for large size plush characters, like in the ten dollar price range each.

I'd like to add that in 1978 I had a collector series going on of Canobie Critter goblets. In years past, I thought I went through goblets. This year, they really took the cake. At the end of July, I had run out of them, and I intend to run the same program again this next year. I had each goblet made up of a different color so that people knew there were three different goblets and each goblet had their character on the back of it. We also tried a puzzle this year with the characters on it. That was very successful. Our guests were given a piece of quality merchandise and they responded by playing for it more than ever. Each guest, in winning a plush Canobie Critter, did not just get a souvenir; rather it was a double souvenir. Each had the attraction's name on it and was an actual miniature of a real thing that the guest had become acquainted with while visiting the park. I am completely satisfied that all my efforts and work have been successful. The key to merchandise lies in the use of imagination and creative thinking. Your success is as good as your input. Merchandising must be pursued actively, not passively. Thank you.

CHAIRMAN BRECHNER: Thank you, David. Ruth Davis from Indiana Beach with a very, very important message.

MS. DAVIS. My topic is Comparison Selling of Different Items and Price Ranges at Indiana Beach. I think it will vary, depending on your park. I can only tell you about Indiana Beach. We are a resort, an amusement park. We are located five miles out of a small town. Our admission gate last year was about six hundred thousand. Our total range of activities is very similar to most of the people up here on the panel. We have skill games, rides, food stands, restaurants. We serve everything from Elephant Ears to Chateau Briand. We have a water show, dancing nightly, swim-

ming and boating. And we have shopping. I include that in our list as entertainment because that's what it is. We are strictly summer. We do not have a year long market. When they come to Indiana Beach, shopping is entertainment, shopping is impulsive buying.

We have a wide range of visitors. We have tourists, mostly families, special groups, anywhere from young people to senior citizens, campers, industrial picnickers, and just a plain variety of daily drive-ins. Our stores are open from eleven to eleven at night. I find that that's a long day. But because we are considered entertainment, the rides are open that long, the shops stay open that long. We advertise it, so we have to meet it that way. We have three basic gift shops. We have an emporium naturally geared to your country store items that sell better goods. The meat of its money is made in penny candy, believe it or not. It has a very poor location. As the park grows, it's improving it's location; it's doing better every year.

We have another shop that's located in the middle of things that sells better priced gift items that you might find in any local gift store. These are selective items that might go as high as fifty dollars. We find that we have a lot of tourists, a lot of local people who will come out and shop in these stores and it makes the bread and butter shop. Of course, there is a souvenir boardwalk gift shop. We do have a fourth shop, a sporting store. We sell sportswear, and we do very well with these. We sold over one thousand ladies' bathing suits last year. The average cost of a bathing suit would be between \$25.00 and \$45.00 a piece. We built up a good trade. We kind of advertise that we can offer the largest selection of swimsuits in the state of Indiana. They will pay the 50¢ or the 30¢ admission price to come in and shop in our store. So that's food for thought for you. I'm going to stick mainly with the gift items. We have a variety of customers, so we have a variety of goods. We have taken the main gift shop and put in an Indian section. We are limited to space. We can't have a special store for it. Everything is under one roof.

We sell a lot of wood items, but we also sell the wood plaques that hang on the wall--\$3.50 sells better than \$2.50, but the \$3.50 items seem to be selling. We have china and glass. We notice that when a senior citizen bus comes in, the little ladies just can't make it through the china section without buying something. They just talk about it and then their friend picks it up and it grows. The little climbing squirrels that you hang on the wall for \$1.50 were very popular. We also found this year we couldn't keep anything with "Dad" on it. Last year it was "Mother." We just re-ordered and reordered anything with Dad on it this year. So these are some items that we are selling.

Here again, we are talking about comparison. We don't just put on the shelf \$2.50 items and say, "That's it; that's your selection." We offer a comparison among the items in the stores. In other words, you have a \$1.50 souvenir, miniature cup and saucer. You have a \$2.50 one with "Dad" on it; you might even have a \$4.50 one. We feel we have a variety of people. It's impulsive buying. They have got to do their own selecting and buy what they want.

Another thing that I noticed no one mentioned. We might get in two totem poles that cost the same thing. Each costs a dollar a piece. But for some reason one of them came, and we put them side by side, and one may be two inches taller than the other.

Right there we can mark that tall one up a little bit more. And that's where we are going to make it. Unfortunately, it works the other way around. You get items you thought looked good, but when it comes in, you just know that you can't up the item.

A lot of you have computers and charts that you go by. We have a basic rule of thumb. You double the cost and you add a quarter. And that's the way we mark everything. Another thing we do that nobody mentioned here, you must mark everything. We work with thousands of items with different clerks working. We always have to have everything marked. We go a step further and we code. We put the cost of the item on there. If it doesn't sell and we move it and if it still doesn't sell, we will grab-bag it, which happens to be the hottest thing we have in the store. On industrial picnic days, they all line up for the grab-bags. But we will code that. We have a top line, the cost of the item. Sometimes, when you mark your items, your markers may have accidentally mismarked the item. You people who have computers have computers sheets to find the costs; you don't have time to run back through all the invoices and find the cost of that one particular item. In this case it was a tiny shell boat. We were selling it for 95¢ and it wasn't selling. Somehow somebody mismarked it, 95¢ instead of 59¢. In this case, the shells are a really easy item to mark up, and yet you can still sell that at very reasonable prices. But having the code there, we could double-check it. It is an invaluable inventory for little items like that. With totems, actually we are getting a little more in retail than was the cost. We don't have to go back through all the invoices. We can just inventory it and mark the cost right down on the inventory. We've found it a real time saver for us. Would you like to know the code we use? You don't want to tell the people what it cost on there. If the item cost you 50¢, when you write on the tag or you use your double marking machine, you just simply reverse and put a 05 on there, and that's all you have to do. You know the cost.

I thought I would mention something else. I said we have comparison buying. We have all these things lined up in the store, different prices. From a recent show I learned this. There is a retailer and he is buying leather hats. If you have looked at leather hats, some of them can go quite high. You get into your \$28.00 hats. You've got your hats that go maybe, retail for four or eight. What he does, he had eliminated comparison buying. He buys all hats, all different styles, and puts one price tag on it. And the hat costs him \$2.00 and it doesn't make any difference; it wears the \$10.00 price tag. This way the person doesn't have to worry with, "I like this hat, but it costs too much. I don't like this hat but it's not very expensive, so I'll buy it." He figures they'll just get to buy what they like and they are happy and he is happy because he is making lots of money. I've never done that but it's food for thought. Perhaps you've got a real, real good situation where it might work. But it is working beautifully for him. He buys more hats than anybody else. Now, another thing not mentioned is comparison buying. You, as buyers, have the first opportunity to do comparisons. This is only my second year as far as gift buying or souvenir buying. I couldn't remember what the price was over here and what the price was over here. We went to a gift and souvenir show where those that are interested in your business set up a display, similar to what you will have this afternoon and tomorrow and Saturday here in the trade show. You can run around and you can comparison shop. You can save money. We found that many times we buy two dozen over here and save 50¢.

And we only wanted two dozen. Or we could buy a pack over here, and we saved two or three dollars a dozen. It pays to comparison shop.

Many of your suppliers have catalogues. If you don't have time to do it on the floor, take those catalogues home and do your home work.

We just recently came from the Gatlinburg Souvenir and Gift Show. All of the categories are represented at these shows. What is the actual best selling price? Well, it varies, depending on the store and who is buying. For example, in the summer shop, I would say we really don't have much under ten dollars to offer for sale. But this isn't true of the gift shops. We have a wide variety there. Souvenirs do seem to be our best seller in the gift shop. Penny candy, as I mentioned, in the emporium. The little corner shop, which carries a variety of goods, sells many of the three to five dollar items. Souvenirs sell good for us. We sell tin cups for 95¢. We sold little amber mugs for \$1.75. We had billfolds and billfolds when we took over the shop. We found a merchandising secret there. Why weren't they selling? They were all done up in nice little individual boxes. We took them out of the boxes and threw them in a basket and now we just can't keep the basket full. That is the secret.

Tambourines are a good seller because you are reaching to all age groups. What do you have in your store to offer a toddler or an infant? Stop and think about it. Is there anything for him to buy that they can take home. We found we were very lacking in that area, so that was the reason for the tambourines. They just loved them this season. We have a men's case. In the case we keep knives. I thought I would mention knives because we have a knife with a little leather shield on it. It sold for \$2.25, which surprised me. Most of our items, \$1.50 to \$1.75, are our best sellers. But in this case it was something they wanted. It was a nice knife. The quality was there and it would sell and that's the secret.

We just kind of wait until our merchandise is going to come around to us. And sooner or later, for some reason, they'll want it. If we have to, we'll mark it down for the new season. We found in our area, out in the cornfields, everyone is so conscious of the word "sale," that once you have one, they are going to wait and go right by. We just don't do it. We eliminated it. They don't wait any more. They come in and they make their purchases.

I was going to mention the fact that when we went to the shows, we were able to find some souvenir companies that would listen to our needs of 60 dozen, 90 dozen, and we have incorporated them in with our 120 dozens that we know we can sell. This way, we feel we have cut down on inventory that we have to maintain each year. We can't absorb new items of 150 dozen level, but we can still have a better variety because we can still go back to these suppliers, we found, that will offer us some of the smaller packs. And it is a good way to test an item. In this day and age, you don't know for sure if it is going to sell. And if you are in doubt and you don't want to take a risk at that particular time on that item, then you can maybe get along with a smaller pack. For our shops, we mostly go to regular gift markets. You also find in those marts that they will have a lot of the merchandise, mugs, that you can buy two dozen packs and still mark it at the price, maybe \$2.50 a mug or \$2.25 a mug, that you were seeking, in your

store. So I would say to you, as a summary, remember, comparison shopping begins in the marketplace, begins with you; don't be afraid to mix your items and offer this variety of different priced items and different sizes in your store, because it's the variety that will cause impulsive buying. Thank you.

CHAIRMAN BRECHNER: Thank you, Ruth. Our work shop has come to an end. I want to thank all of you for coming. It was very gratifying to all of us up here to see and speak to so many of you out there. The time and effort that all the speakers put into it to bring you this workshop, we know now was not in vain.

... The workshop was concluded at 12 noon ...

FOOD WORKSHOP

THURSDAY, NOVEMBER 16, 1978

WINNETT, DEKALB, PAULDING & DOUGLAS ROOMS

The Food Workshop convened at 10 a.m., J. C. Evans, Gold Medal Products Co., Inc., Cincinnati, OH, presiding.

CHAIRMAN EVANS: I'm J. C. Evans, vice president of Gold Medal Products Company. I'd like to welcome you to our food workshop, which for want of a better title we're going to call "The Status Quo Has Gotta Go." Now, the reason we picked that title is because there is a gut feeling that some of us, particularly our panel, who I'll introduce in a moment, are facing the decade of the 80's trying to use techniques that were probably our best effort in the latter part of the decade of the 60's. So we have one more year left in the decade of the 70's, and we hope that as you approach 1980, you will find that you can challenge the status quo. Hopefully here in this food workshop we'll give you some ideas that you can put into practice.

Now, at this point I should apologize. We had six potential candidates to be on our panel of experts here. There were six people who said they thought they might have budget money to come and no conflicting other activities. As it turned out, there were some conflicts, so I'd like to introduce the people who showed, and it's kind of interesting that they were the first names on the list. On my immediate left is Dick Hoffman, who's food and beverage manager at Adventureland, a theme park in Des Moines, Iowa. Next to him is Bob Newswanger, in charge of all food service at Dutch Wonderland in Lancaster, Pennsylvania. I left out Mike Bandera, who has twenty or more years experience in food and beverage operations in amusement parks. He started at Six Flags and spent 14 years there, and a couple of years at Great Adventure in Jackson, New Jersey. Since that time he has set up his own consulting business under the name of M. J. Bandera and Associates at 2000 East Randall Mill Road in Arlington, Texas. We'd like you to appreciate the expertise that the gentlemen on the panel have accumulated. Something else that they have accumulated is two days experience this year at the third annual Funspot Food Seminar, which our company sponsored in Cincinnati.

We have three other people who will be assisting us here. Basically this is a workshop where we'll go through an outline, and you can make comments, you can ask questions and you can add to the content of the meeting. Jay Umbarger, southern zone manager for Gold Medal Products, Al Siefert, manager of Gold Medal,

Pittsburgh, a dealer, and Don Woodward from Paris Resort up in Ohio.

Probably one of the things that you all listen to and you say, "Boy, that's a good idea, and we ought to do that next year," by the time you get home, you will probably have forgotten, say, 65% of the ideas that you were exposed to. Two weeks later you will have forgotten 92%. Now, we furnished an outline only because you can write something down. There's no way that you can write something down without thinking about what you're writing.

Now, again, before we start, I would like to say thanks to everybody who did send back the questionnaires. The questionnaires were really the forerunner of a 30 page book which we used--31 page book which we used at the Funspot Funfood Seminar in Cincinnati, and it's impossible to cover all those things. We had a marathon session. Now, if we have it again, or IAAPA sponsors it next year, I sure would encourage those of you who are, I'd say, east of the Rocky Mountains to attend, and those of you who are west, I would encourage you to contact your association headquarters and put a little pressure on for this type special workshop for professionals in your area of amusement park or funspot operations.

Now, how many people have Icee in their parks--Icee Bear and so forth?

(Show of hands.)

It can't be more than 3, 4% of you. Okay. This is more a thing you find in a convenience grocery store, in a discount department store snack bar there's always that Icee Bear sign. They are always running some kind of souvenir. Anybody here using plastic takehome cups as souvenirs, either your drinks or your FCB? How many people sell FCB? And your park is what?

A VOICE: Storytown, Lake George, New York.

CHAIRMAN EVANS: All right. One park here.

A VOICE: What is FCB?

CHAIRMAN EVANS: FCB is frozen carbonated beverage, which is a carbonated slush, as opposed to what's also known as flat water slush. You can get these cups in reasonable quantities. Did you use any plastic cups that are dishwasher safe in any of your previous affiliations?

MR. BANDERA: No. I've never used the plastic cups.

CHAIRMAN EVANS: We have four kids, and we go to the discount store, and the kids want a cup that's got the Cincinnati Reds. It's amazing how many times those cups have gone through the dishwasher. The thing I'm talking about is that you look at souvenirs, gifts and novelties and you can do a little more merchandising by getting souvenir containers, particularly in the area of your slushes or your cold drinks. It really doesn't make a whole lot of difference. How many people use some sort of glassware promotion in their cold drink sales with a souvenir glass? Well, you know, Arby does and I don't know who else uses it in the fast food industry. Most of them use it. Well, this is the thing that we really have to start thinking about.

The article that Marilyn Sams wrote in AMUSEMENT BUSINESS as a recap to the meeting in Cincinnati, was headlined "Lack of Promos Impact on Food Operations," and possibly this is partly true. I don't want to make a blanket indictment, because that's not fair and I don't know that much about it, but you've got to get involved in promoting what you're selling. If it's a souvenir for your glassware, that's one thing. I'm not touting for Icee, but I know this; that they are very promotional minded, and one of the few people as a concessionaire that have many different deals. Their machines are placed in convenience stores on various percentage splits, and I don't know exactly what their program is, but they do lend excitement because they have the Icee Bear. They have promotional glassware. They have contests. They have all kinds of things that must might be able to work for you.

So the one thing I say is that there is no such thing as a born food and beverage genius. There are some people in this industry who are geniuses today. What we're looking at is ways we can come closer to being a Phi Beta Kappa in the food and beverage operation. We talk about the promotions and lack thereof. It kind of reminds me of the guy who says, "Well, geez, it's just a convenience in our park." And the guy that says, "You know, we really don't try to maximize profits on food and beverages." The guy that lies about that might be lying about other things, too. So if you're owners, managers or whatever, keep your credibility up with your employees and say, "Let's get with it and make some money doing it."

Any other questions about souvenir promotions? Yes, Mike.

MR. BANDERA: I've never used this 16 ounce souvenir cup before. I've never really been able to figure out an application for this souvenir cup in a large theme park operation. Normally it's a collectible type thing. You'll have different rides on it or different characters or whatever, and as people come each time, they get one character at one time and one character the next. But with a major theme park, you only get people once or twice a year so the collectible end of it doesn't seem that advantageous. They are rather bulky and I saw a lot of handling problems in them. But I can see now where maybe there's an application with some of the parks that are real heavy into the season pass program. I know that some of these parks are selling 50 and 60,000 season passes a year. These people are coming in eight and ten times a year, and this might make the 16 ounce collectible type mug a good seller or a reason to have it out there. If anybody has successful programs with that 16 ounce mug I'd be interested in hearing about it.

CHAIRMAN EVANS: Is there anybody here from Kings Island? Well, of course, they're Hanna Barbera, and they've got some cartoon characters. But I know in some of the fast food magazines, somebody, either Owens Illinois or Libby Owens Ford, has some Looney Tune characters. There was a question in the back of the room. Will you give your name and your affiliation?

MR. STANBACK: Paul Stanback, Roadside Park, Denver, Colorado. Over the Labor Day weekend we did not use a 16 ounce cup. We used a 20 ounce plastic cup. We had a Star Wars series of eight. We feel we increased our food and beverage sales by about 25 to 30% over a three day holiday. We went through 40 cases of 20 ounce Star Wars cups. The customer who came in had an option. They could either have a Star Wars cup or the regular beverage cup.

They started collecting the Star Wars cups. The amusement park was just about free of glass litter; by that I mean the paper goods. We did not have all series at all stands, so they had to go to all stands before the day was over. People were coming in with five or six and saying, "Where can we pick up series 8 or where can we pick up series 6?"

CHAIRMAN EVANS: Are you a pay-one-price park?

MR. STANBACK: Yes, we are.

CHAIRMAN EVANS: That's great. They were running back and forth and not wearing out the rides. Dick Hoffman has a question for you.

MR. HOFFMAN: Do you know what happened to your retail, your merchandising per cap during that promotion? Did anything happen?

MR. STANBACK: We feel that it's up about 20%, over 20%.

MR. HOFFMAN: That's your food. Do you separate your retail, your souvenirs?

MR. STANBACK: No. I'm a concessionaire within the park, so I just handle the food and beverage.

MR. HOFFMAN: We've looked at this souvenir cup at Adventureland. Country Time has a promotion with it. They'll go in with you. But your monies are all going into the same pot. Those of us that are running a small park have got to consider what it is going to do to our souvenir dollar if they take that cup home to grandma or send it to somebody. Then they don't have to buy that little knick-knack or that little stuffed character with your name on it. They've got it for nothing, or for relatively nothing. So that is our particular reason for not having gone into any promotion like that.

CHAIRMAN EVANS: Mr. Stanback, I want to ask you one question. You had a cost per container on these plastic cups. How much were the empty Star Wars cups?

MR. STANBACK: We worked that out with our local purveyor, because we handle some food and beverages at the state fair and the race tracks, et cetera. We got an excellent price on it.

CHAIRMAN EVANS: If you didn't get an excellent price, what would it cost you?

MR. STANBACK: I really don't know. I'd say you're probably looking at maybe five to eight cents.

CHAIRMAN EVANS: So you got what price for the 20 ounce cup of soda?

MR. STANBACK: We were charging 50¢. That was our normal price and it was late in the season.

CHAIRMAN EVANS: One thing, Dick. You said everyone here does measure their per capitas. You probably could put something like this in with them for a week with a little promotion in the park, and as people come in you say, "Make sure you collect your Star Wars glasses," and see what impact that has on your merchandise sales or your games operations. The whole thing is you're still

looking at a bottom line of net profits per patron who walks through your turnstile, and this is the only meaningful figure, I'm sure, as well as how much fun they have and if they will come back next year. So food and beverage is one of the corners of the three legged stool; one which would be souvenirs, games and novelties, food and beverages second, and then the rides themselves as the third leg in the three legged stool.

Let's go on through the outline and talk about circus waffles, sugar waffles, French waffles or whatever you want to call them. It's a shame that Charlie Thomas from Geauga Lake isn't here, because I think he's almost the waffle king in Ohio. He's getting 50¢ apiece. There was a comment back here, somebody was doing a good job with waffles.

MR. RHYNES: My name is Rob Rhynes. I'm from Kiddieland. Melrose Park, Illinois.

CHAIRMAN EVANS: Do you have a cents per capita at Kiddieland, or do you have an open door policy?

MR. RHYNES: We went to a gate admission this year. We didn't start it until July, so we kind of ran into a little problem late in the season with a 50¢ admission. The ride tickets were 25¢ each. Our large rides are two tickets, and our kiddie rides are one ticket.

CHAIRMAN EVANS: Well, on this basis what cents per capita were you able to generate from waffles?

MR. RHYNES: Our total food went to about 60¢, which I thought would be higher, but it wasn't. Now, we had sippers and waffles in one stand, and when we put them in originally, it was a real hot item when it was busy. Then we took a cart out which boosted it even more. Sippers and waffles together I think our highest day for kiddieland was \$900 off the cart.

CHAIRMAN EVANS: That's pretty good. Well, you know, Ron, that was one of the things that we talked about last year. What the stand does in cents per capita, and if it would be well worth everybody's while to figure what it does in terms of cents per capita? You did mention one thing, and I don't know whether we're talking about mobile carts. In the cold weather we talk about what to have on the carts and in the hot weather what do you have on the carts. You've sort of taken a cold, refreshing type item, sippers.

MR. RHYNES: There's a big difference in the display, too. We mounted them up on this cart with the sippers. The more you've got sitting out there just attracts attention. If you've only got a few, you can walk around forever and it seems like you won't sell any.

CHAIRMAN EVANS: What price do you get for waffles?

MR. RHYNES: We get 35¢, three for a buck. Sippers were 50¢. We started out with a smaller one and went to a larger waffle, and they caught on very well. We did excellent with them for the first year.

CHAIRMAN EVANS: Well, anything that's relatively new, you've just got to display it to let them know what it is. You even have to

sample in a small, family type situation. One more comment. How many other people sold waffles this season?

(Show of hands.)

Not many. Well, you know, it's funny. In the questionnaire we asked what were some of your best ideas and what were some of your worst ideas. Waffles were mentioned several times as best ideas and also as worst ideas. Those of you that found it the worst might go back to the two or three booths which are displaying waffles and making them and see just what point of purchase material is available and what merchandising ideas are available. Again, promotions and merchandising are what adds excitement to your food and beverage operation and gets people coming. A comment.

MR. RHYNES: The sippers got to be like a collector's item. We sold lemonade, orange and grape. When we sold them both off the cart and in the stand, we took a bunch of waffles and put them into a big container. When the people would come up and ask for a sipper or sippers, we would ask them if they would like a waffle. I would say that 50% said no, and then I'd say, "Well, here, just try some." I would say at least 50% would buy waffles after you gave them a free sample.

CHAIRMAN EVANS: Well that's what they're doing in the grocery stores all the time. They have some lady there who has samples of the Sara Lee fruitcake or whatever it may be, and the next thing you know, they want you to buy it.

Last year I think some people said they were going to go up a little bit to 55¢. I think 50¢ was the standard selling price in 1977. In 1978, how many people got 55 or 60¢ for sippers? Did it hurt your unit sales?

A VOICE: No.

CHAIRMAN EVANS: How many of you at 50 are going to go up this year, and how high are you going to go up? Are you going to sell sippers this year?

MR. HOFFMAN: Yes.

CHAIRMAN EVANS: You're going to go 60.

In merchandising I think you hit the nail on the head. I don't know if there's any way to merchandise sippers except to get them out on wagons on the midway with plenty of ice. Besides wagons and carts on the midway, what other merchandising ideas have any of you been able to implement with success? What are you going to try this coming season to help sell more sippers? Question in the back.

MR. WOLF: My name is Grant Wolf from Seabreeze Park. Our food manager wasn't able to make it, so I have a list of questions to ask about sippers. We haven't attempted these yet, and I'm very interested in knowing from the industry, and not from the manufacturer, cost per unit on labor and different machines and merchandising techniques. I understand the cart technique. I've visited several parks and seen them used, but I'm not sure how profitable an item it would be with the high cost of souvenir containers. Can someone answer these questions?

MR. HOFFMAN: I'm sorry I can't give you a figure. Our production is done with other areas, and we're really unable to break it out as to how much time and labor was spent on a sipper as opposed to sandwiches and preparing foods that go out and are warmed in other areas. The only reason why I'm talking about sippers is that we went into it last year. I learned a lot, or I feel I learned a lot. As a small operator with one full-time person per year in foods in our park, you can get badly burned on theft. In the sipper, the cart sipper operations, you've got to go in and set off your inventory systems. You've got to have personnel to make sure. You can't rely on anybody else. You've got to have somebody that you can rely on to count the money, or at least have your money house count the money. You're going to get burned terribly with the people, I think, we're all using unless you spend the time and the money on your control on that type of operation on a cart.

CHAIRMAN EVANS: I want to ask one question. Is there anybody out in the audience who has park attendance under a half million people who is into sippers and would like to answer the question of what your unit cost per sipper is under a half million turnstile clicks. From Melrose Park.

MR. RHYNES: We have about 3 to 350,000 people through a year. We bought the sipper with the cap and the straw. We paid five and a half or six cents, I believe, for the sipper. We have somebody in the stand and somebody out on the cart, so it's hard to break down exactly how much it costs to make the sipper.

CHAIRMAN EVANS: I think you got a good deal on your sippers for a small quantity.

MR. RHYNES: I think we bought 50,000.

CHAIRMAN EVANS: Bob, you're thinking of going into sippers. What does your research indicate?

MR. NEWSWANGER: I'm going into sippers next year. I believe I'm going to purchase them already filled. All I have to do is dispense them.

CHAIRMAN EVANS: What would you have to pay for one filled and delivered to your park?

MR. NEWSWANGER: Right now I'm looking at a cost of approximately 5¢ a filler, delivered.

CHAIRMAN EVANS: It will be delivered to you filled with stuff at 5¢?

MR. NEWSWANGER: Five per cent above raw material cost.

CHAIRMAN EVANS: Plus the raw material. Would the raw material be the juice or the sipper bottle?

MR. NEWSWANGER: I'm talking about the sipper. The only thing I would purchase at that time would be the straws. In other words, he's charging me 5¢ for labor, filling and delivery.

CHAIRMAN EVANS: Total cost is going to be 14, 15¢?

MR. NEWSWANGER: Probably a little higher than that.

CHAIRMAN EVANS: That's the thing we were looking for. I think you're going to have to go to about 15¢ a unit. If you're going to buy a trailer load you're going to get a better price per unit, and you probably can work up a loaner filling machine from Vitality. I don't know who else makes them. Do you know?

A VOICE: Does that equipment have to be purchased, or can you lease it yourself?

CHAIRMAN EVANS: They'll loan it to you as long as you're buying your juice from them. There's another factor in that. Question up here in the front. Will you give the name of your park and your question?

A VOICE: I'm with African Lion Safari of Canada. I'm in the food concession. We're interested in going into sippers. What I'd like to know from the panel and the audience is did it distract from your Pepsi or Coca-Cola sales, and also which is more profitable?

CHAIRMAN EVANS: From Six Flags Over Texas, Cary Riessen.

MR. RIESSEN: Well, it depends on your philosophy. You can interpret it however you want to, but we consider a sipper an impulse novelty item, along the line of ice cream or a souvenir. When we first added sippers, we noted no decline in drink sales at all. Now that we've completed our third year, we still have noticed no decline in drink sales at all.

CHAIRMAN EVANS: Mentally you could visualize this as a novelty.

A VOICE: Did your market actually grow? Did you make more dollars above what your market was previously, and if so, what percentage of the market did it grow?

CHAIRMAN EVANS: I think you keep track of it as cents per capita.

MR. RIESSEN: We thought the sippers were totally incremental sales. Every dollar we made on sippers was incremental profit in terms of evaluating our novelty picture. We feel that ice cream is a big item when our temperature reaches about 80 degrees. We're from Texas, and the temperature reaches about 105 for thirty days in a row in the middle of the summer. So when the temperature gets up around 80 and over, our sipper volume increased while our ice cream volume decreased, so we figured we had a nice complementary thing to ice cream novelties.

CHAIRMAN EVANS: I think they're concerned that there are adverse effects on drink sales. It's nothing to worry about.

MR. RIESSEN: The good thing about sippers is that it's the type of business that with loaning equipment, the cost of getting in the business is very small compared with most other operations. If you feel like you have a problem, you can get out of it in three days' time with very little investment.

CHAIRMAN EVANS: One of the nice things about the sipper bottle when you have large purchasing power is that you can get a logo and print it on the side of the bottle, and then it's a souvenir at Six Flags Over Texas or Great Adventure or Adventureland or virtually any other park. So before we get farther, Mike had a comment about waffles or fried dough items.

MR. BANDERA: Well, still on the sipper subject right now, I notice some of the parks that I was in this year were merchandising the 50¢ sipper and putting a crazy straw in it. For lack of any better term I call it a crazy straw. They were getting a dollar for it, and I wondered how that deal went.

CHAIRMAN EVANS: Did anybody out here put crazy straws in sippers and get a higher price? What do the crazy straws cost you? Your name is?

MR. HEFFINGTON: Mike Heffington, Six Flags Over Georgia. The crazy straws cost around 20¢ apiece.

MR. BANDERA: How did the dollar retail move?

MR. HEFFINGTON: We sold about half and half, regular to crazy straws.

CHAIRMAN EVANS: Will you explain what a crazy straw is, for those who don't know what a crazy straw is?

MR. HEFFINGTON: They are handmade plastic straws. They have three loops in them in a different variety of colors.

MR. BANDERA: So you noticed a per capita increase after you added the crazy straws and merchandised the sippers that way.

MR. HEFFINGTON: Definitely.

CHAIRMAN EVANS: I like the way you say definitely. Challenge the status quo. That's what we're talking about.

We've got a lot of things on the outline. Last year we talked about 32 ounce cold drinks, and it seemed that very few people were into 32 ounce cold drinks. I'm curious to know how many people added 32 ounce cold drinks this year.

(Show of hands.)

CHAIRMAN EVANS: Well, there's maybe 10% of you, because a lot of people don't vote. Will you hold your hands up again? I want to ask you some questions. Did you have a chance to measure your cents per capita on the 32 ounce Coke?

MR. WOLF: As I said, I'm Grant Wolf from Seabreeze, and I'm not the full food manager. All I know is he informed me that the larger cups went quite a bit. It's the first time we tried them, and they did go.

CHAIRMAN EVANS: And what was your selling price retail on 32 ounce cups?

MR. WOLF: I Believe it was 1.05.

CHAIRMAN EVANS: All right. The gentleman behind you.

MR. KOCH: I'm Bill Koch From Santa Claus Land, and we have the 32 ounce for 95¢. We did not sell all that many of them, but we didn't really promote it the way we should have. We definitely are going to go in with some big promotions this coming year. We are probably going to drop the price to 85¢.

CHAIRMAN EVANS: You know, getting them at 85¢ is still awfully close to 3¢ per ounce. Mr. Stanback said he was selling a 20 ounce cup for 50¢. Well, that's two and a half cents per ounce. And if you're over two and a half cents per ounce, you're probably all right. Now, in terms of ratios, I've been in situations when they were talking about sizes of popcorn with butter. When you had the 32 ounce cup, you had roughly 60% of your units in the 32 ounce, and we had the 46 ounce, 40%. But when you put that super large size in, 20% of your units went into super large size, 60 in the middle size and only 20 in the bottom. I would be curious to know if that has been your experience at Santa Claus Land. What are you shooting for in a goal?

MR. STANBACK: Well, actually, that's exactly what happened. We did not sell many of the small. The medium, the regular, was increased substantially.

MR. BANDERA: My experience with the 32 ounce cup is that we sold 14, 20 and 32 last year, and we got 80¢ for the 32, and the 14's and the 20's accounted for about 90% of our sales, so that leaves about 10% of the sales with the 32 ounce cup at 80¢. Of course, the higher the temperature went, the more 32 ounce cups sold. We found the 32 ounce most successful at special events like boat races and ball games where people were subjected for a lot of hours to the heat. The 32's were going just one after the other. It really switched around, and about 90% of the sales became 32 ounce drinks.

CHAIRMAN EVANS: Turn waiting time into profit time. When you've got a waiting time event, that's a super time.

MR. TAGGART: Tag Taggart, Traders Village. We went to the 32 ounce. Our problem is that we can't get a cup that'll hold it. Is everybody using plastic 32's?

CHAIRMAN EVANS: Are you using the flat bottom cup or are you using that milk carton?

MR. TAGGART: We're using the flat bottom wax cup.

CHAIRMAN EVANS: Okay. Dick, you have an answer?

MR. HOFFMAN: Try a Dixie double wall, if you're going to stay in that 32 ounce. We got all the cups, put them all together, let them sit with Coke in them for a half hour, hour, to see. There's a Dixie line double wall cup. It looks big. But I'm really not pushing it because we will be getting out of the 32 ounce already. Our 32 ounce, in the 14-20-32 ounce range, only sold about 3 and 3/4 percent of drinks; with limited storage and trying to keep it simple inventory-wise, for under 4% of drink sales, I think we can pick it up in 14's and 20's, and we'll drop it.

CHAIRMAN EVANS: What did you do to merchandise your 32 ounce cup?

MR. HOFFMAN: Coke has a promotional cash register top or a counter top that they put out. It is molded plastic with that particular size of 32 ounce on it, as well as the smaller cups. That has the big deal price. It shows the comparative price and size. We had them on every cash register in the park, 21 cash registers.

CHAIRMAN EVANS: What did you retail the 32 ounce for?

MR. HOFFMAN: 90 cents.

MR. TAGGART: One quick question. I know Coca-Cola has the big, heavy plastic cups. They cost about 10 or 11¢ apiece. We're trying to get something with our own imprint on it, also, and in the plastic we found that most of our cups were sold, but we haven't been able to get plastic at 32 ounces. Anybody able to get it?

CHAIRMAN EVANS: Anybody have any advice here? Mobil Plastics, I know, is into a lot of different types of cups. They make a lot of them for their Icee and FCB operators. I don't know where their sales offices are. Of course, Continental Bondwear has a very stout carton. Is that the one that costs 10¢?

MR. TAGGART: No. The Coca-Cola specialty cup, the heavy-duty one.

CHAIRMAN EVANS: At Six Flags, Cary, what do you use for your cup?

MR. RIESSEN: It's a translucent plastic cup, so this might hold up a little better.

CHAIRMAN EVANS: I wonder if there isn't a price point that you have to pick that will cause the product to sell in your park. If you have no merchandising, Dick, and they come all the way to the cash register, do you use track service or scramble.

MR. HOFFMAN: We use belly-up service.

CHAIRMAN EVANS: The thought does occur that maybe they don't think about the big cup. Ten percent is probably a pretty good average on the 32 ounce cup, wouldn't you think, Mike?

MR. BANDERA: We would think so. We did pretty well with it.

A VOICE: We got into the 32 ounce market. We felt the best market was for a standing audience. If you get people out there hawking, where there's a still audience, that's where your market is. We increased our market considerably on cold drinks by marketing 32 ounce in plastic containers. We give them free cups to go with them, and we sold popcorn in the same stand. We increased our market tremendously. When people sit still, you can sell them to them. That's where we increased our market.

CHAIRMAN EVANS: Well, this, I think, bears out and underscores what Mike Bandera said. When we get to the quarter pounder sandwiches, it is the same situation. As Mike Sylvania told us last year, sell bigger hamburgers and sell bigger Cokes to go with it, or large size fries.

A VOICE: I've got a question for you. I don't mean to go back, but about the sippers. There's a question there that I need some help with. I think we're all familiar with the success of sippers, but I've run into a situation. I'm with the National Zoo in Washington, D.C. Management is afraid of the sipper container in relationship to the animals. In other words, the container being tossed into a pen and an animal choking to death or something from that. I wonder, of the people here, if anyone uses them around animals and if they've had any bad experiences. I need to document this information to my people in order to get them to accept it.

CHAIRMAN EVANS: Comment? Everyone heard the questions. Anybody

in a zoo, live animals? Dick Stanheim.

MR. STANHEIM: We have a dolphin show in our park, and the dolphins are our only animals, but we've never had any problem around the sea lion pool. The dolphins take them as a toy and throw them around. We've never had any problem with them. We were curious about that and worried, but they throw them around like a toy.

CHAIRMAN EVANS: Mike Bandera, you had a lot of animals up in your preserve when you were up in Jersey. Did you witness any problem with that or not?

MR. BANDERA: I've never heard of any problem at all in that regard.

CHAIRMAN EVANS: Well, you know, the souvenir value might be one of your credibility points that you can use on management.

A VOICE: We're from Mickey Grove Zoo, and we're selling our sipper not right adjacent to the zoo, but we haven't heard of any problem yet with them.

CHAIRMAN EVANS: I would almost be willing to claim, and I'm not a sipper manufacturer, that you had fewer sipper bottles even percentage-wise as a ratio of those sold in the animal pens as compared with wax cups, or popcorn boxes. Certainly they're not digestible. That's for sure.

A VOICE: I think in order to document this, and just for general information, I'd be curious to talk to some of you later on during the convention concerning this. It's a problem that I think can be worked around through the cooperation of some of you.

CHAIRMAN EVANS: If most zoo directors are like the zoo director of the Cincinnati Zoo, they prefer that nothing be sold in the park and make a sterile atmosphere. It's not as much fun if you are not able to buy popcorn and cotton candy.

A few other things. I don't know where people have been all these years, but they have finally gotten around to adding cotton candy to a funspot. We also had a comment from Bill Henninger at Kennywood back in Cincinnati. He said he had one stand that had been open air, and they totally glassed in the stand. In the process he had an 11% increase in sales in items in that stand. Last year we talked about the problem with bees. I don't know whether we solved the problem with bees, but I wonder if glassing in has any beneficial impact. Anybody else find any good ways to get ride of bees in August?

A VOICE: I'll speak from experience from Kings Island. Our experience in searching and talking to many entymologists over the years about what to do about bees is that everyone indicates that there is no answer. However, through careful study we came across a chemical. Not to plug the company, but Puritan Chemical Company, I think out of Atlanta, makes a product called Cherry Bomb. It's an aerosol. It's not cheap. But our experience has been in the past four or five years that I've used the product that it totally eliminates bees. It does not kill them. They just cannot stand the odor. It's a very pleasant aroma that comes from the product. But I found 100% success in using it.

CHAIRMAN EVANS: That's a good lead. It might open up some doors. Anyone sold cotton candy in glassed-in areas? Well, this may be

a way to get the cotton candy sales, because today it looks like 50¢ is the going rate on cotton candy. What do you get for it, Bob?

MR. NEWSWANGER: I'm getting about 40¢ for it.

CHAIRMAN EVANS: What about you? You always get 50 in your area.

MR. BANDERA: Cotton candy is an item that I've always tried to pick a price point that a guest would spend rather easily, and 50¢ seems to be it. I've always hesitated about going to 60 or 75.

CHAIRMAN EVANS: Why don't you run out to the county fair, state fair out on the edge of town, wherever it is in your community, and see what's happening? See what the going rate for some of these items might be. The going rate for cotton candy at the county fair is a bottom of 50¢, and it goes up from there.

MR. WHITE: My name's John White from Rockaway Playland in New York. I was traveling around last year, and I was up in Providence, Rhode Island. A fellow was getting a dollar a bag for cotton candy, so I started putting it a dollar a bag in Playland. I got it with no trouble.

CHAIRMAN EVANS: Everything's more expensive in the East, right? Well, what would your food cost have been? About ten cents? You probably make about a four ounce serving, five ounce, maybe. You can really stuff cotton candy in a bag. Sometime in the future we ought to do some demonstrating on how to properly operate machines and have big looking servings that don't have anything in them.

A VOICE: Why can't we come up with a larger bag? Now, cotton candy without a bag is nice and fluffy, and when they come up with a little bitty bag and they squash it in there, it doesn't look like it's a quarter in there, but I like to use the bags.

CHAIRMAN EVANS: You have to learn how to make cotton candy. If you make them real skinny there's a problem. There's a technique to get them in a bag and make them look rather fat.

A VOICE: I'm a pretty good cotton candy maker and I've never had much success with that.

CHAIRMAN EVANS: You need three hands.

A VOICE: Marin Packaging up in Long Island will make a bag any size you want with any imprint or whatever. They're very reasonable.

CHAIRMAN EVANS: Well, you know, once you're able to get a dollar per serving, you wonder two ways. Are you better off getting two 50¢ sales, or are you willing to put twice as much in a bag and hope for a dollar sale. It depends on how many locations you have in the park. If you have one cotton candy stand and you have 30 or 40 rides in an amusement park, I don't think you're selling it in enough places. I don't know what the proper number of places to sell it would be. You sell it one place in your park, and what would your total attendance, turnstile clicks, be? 500,000?

MR. NEWSWANGER: Probably in the neighborhood.

CHAIRMAN EVANS: And you sell it in one, and you have close to

800,000 or a million. Dick has two places he sells cotton candy and he has roughly a half million turnstile clicks. Comment.

MR. HOFFMAN: We carry it at one fixed location, and we've got one of J.C.'s carts, so we can flex with our traffic. We use a cart in August, and the rest of the time we can handle it all in our one fixed.

CHAIRMAN EVANS: Anybody here from Lincoln Park Zoo? Those of you who know Paul Hecker, who's been concessionaire at the Lincoln Park Zoo in Chicago for 40, 50 years did almost the same type thing. Right before Labor Day, Memorial Day last year, he put two carts out. Here's a case for Washington Zoo. They could contact the Lincoln Park Zoo, because he has cotton candy in two mobile wagons. One of the wagons cost about \$1,400 but he paid for it the first four day weekend. That kind of killed two birds with one stone. Get in touch with Paul Hecker at Lincoln Park Zoo in Chicago.

In terms of cotton candy, it's one of those things. We start looking for new items, new items, new items, and maybe we aren't doing as good a job promoting some of the old items that have been around for almost a century. St. Louis Exposition was the first time cotton candy was sold. They called it fairy floss, and in Australia they still call it fairy floss.

How many people are selling lemonade shake-ups? One, two, three, four. Very few of you. You're in Holiday Beach. You're selling lemonade shake-ups. Tell us about them. What are they? Because a lot of people don't even know where we start on a lemonade shake-up.

MR. BANDERA: Well, it's fresh hand squeezed lemonade. You have a 24 ounce shaker like you would use in a bar or a milk shake. Drop the lemons in and take a wooden mallet and squeeze the lemons and drop the sugar and ice and water in there. Put it in a 20 ounce, or we use the 16 ounce translucent cup over the end of the shaker, shake it up, and put it on the counter. It's a very good item. A healthful item, and we get 50¢ for 16 ounces in the translucent plastic. Really merchandise this item real well when they are walking around the beach or the park. The other guests see it, and they find those lemonade stands.

CHAIRMAN EVANS: What was your food cost per unit? Do you know on a 50¢ sale?

MR. BANDERS: It was about 15¢.

CHAIRMAN EVANS: It's a labor intensive thing. About how many can one person turn out in an hour if their muscles hold out, if their mallet holds out?

MR. BANDERA: We never really ran any figures on that. We would have to have two or three people making lemonade in a stand. There are some ways to automate it by making up some simple syrup and prepouring your simple syrup and eliminating some of the moves, but I like the old fashioned way where they're standing right there, making it for each guest individually.

CHAIRMAN EVANS: There's a lot of flash when you really work it up this way, because it's so fresh, and we're into a natural world. The government is trying to decide that all of us and our kids are going to eat the right kind of food, but the public is fighting

a real battle. But this is one thing--it's natural lemon, and, of course, that's one thing about the sippers. It's a natural juice. At the Hilton Hotel they used to get 60¢ for a small four ounce orange juice. I don't know what they get now. Who else is in lemonade shake-ups and making it differently? What kind of cents per capita do you think you can generate out of lemonade shake-ups, and it is a plus?

MR. BANDERA: As far as I've been able to determine, it is all incremental. I used to get about 6¢ out of the lemonade stands at Six Flags Over Texas. This last summer I really wasn't able to determine a per capita.

CHAIRMAN EVANS: It was mentioned on 20% of the forms that came back that this is one of our best new ideas. Now, apparently those who sent the forms back aren't here, or you aren't voting. Again, how many are selling lemonade? I can't believe how few of you are doing it. Very few. It is something you can do.

About going up to three sizes of drinks. I think we hit this pretty hard already in the context of the first few topics. On the multi-sizes of drinks, I mentioned cents per ounce, and I only want to talk very briefly on value pricing. Being the highest price per ounce you charge on your smaller or smallest size. You should always have three. The medium size cup or the regular, large and jumbo. On your regular you might be getting three and a half cents per ounce; in your large size you might be getting about three cents per ounce, and on your jumbo you might be getting two and three-quarter cents per ounce. The whole point is that the person may only pass your stand once in an hour, and you better get the gross profit, pennies, with that one single purchase. "What size you want?"

"I don't know. Give me a regular."

Well, if you don't have a small, that helps you a little bit. Anyway, when you get your menu board, mention what size cup you have. Let the people figure out that their best value is in the larger size, unless you have a 32 ounce cup and you put 30 ounces of ice in it. We mentioned that last year, too. We're not going to mention that again. You've got to measure the performance. Whenever you stop measuring performance on any item, or any stand, you're not going to get high performance. That's one of the most important things that you have to look at--measuring, measuring, measuring. How many people are owners or stockholders, or part owners, or a whole family of owners of amusement parks and fun-spots? Would all who qualify hold their hands up?

(Show of hands.)

CHAIRMAN EVANS: That's for you people who have a vested interest. You've got to measure better. If you do you're going to get better performances. It's as simple as that. I'm sure many of you figured you can get cents per capita on stands, and you can get cents per capita on almost every menu item. You can figure just all kinds of ways. Then you have a bottom line, I'm sure, of profit per capita on food and beverage.

MR. BANDERA: Oh, yeah. We would have it by stand. A lot of the stands are sectionalized, I guess you could say. They sell just certain items, so you could pretty well pull out your per capita on your ice cream novelties and on your Italian ice or what have

you very easily.

CHAIRMAN EVANS: Let's go on down a little bit. We're sort of just going down the whole menu of things that people are suggesting as the best new idea. Of course, the quarter pound hamburger has been an old item to McDonald's for a long time, but in the funspot or parks there were a lot of people who said, "I can't sell a quarter pound hamburger." Back in Ohio where we had those White Castles, 16 to a pound, you ate eight of them and they still did not fill you up. Here in the quarter pound hamburger business, somebody already mentioned they're selling third pound hamburgers. Anybody here selling the one-third pound hamburger? Your hamburgers consist of a third pounder, and what other sizes?

A VOICE: We have a five to a pound for our regular hamburger, and three to one for the large.

CHAIRMAN EVANS: And where are you from, sir?

MR. LUCKMAN: My name is Jack Luckman. I'm from Indiana Beach, Monticello, Indiana.

CHAIRMAN EVANS: What would be the ratio, in terms of ratio of five to one? Would one be like 40%, the larger, and 60% of the units in the smaller?

MR. LUCKMAN: No. Our large units, the third pounder, wouldn't go over 20%.

CHAIRMAN EVANS: But a five to a pound is a pretty big hamburger, too, really.

MR. LUCKMAN: I would like to mention an item to consider with the sippers. We went into them last year. They were highly successful. But when you're trying to figure your costs, you better take a look at what the freight is on that plastic product. I found out that we had over one cent per unit. That's just freight. Normally freight isn't such a big item, but because of the bulk, they have a high rate on that, so they might want to consider that when they're looking at their costs.

CHAIRMAN EVANS: You fill a whole trailer load and you still do not get 10,000 pounds on a full trailer, and they expect to get so many dollars for the run. It's a problem of packaging. It's a problem in storage.

MR. LUCKMAN: This is true, but a lot of people don't stop to realize this.

CHAIRMAN EVANS: The food manager from Kennywood was mentioning they had to build a building to store these sippers because there was no way to get delivery during the season. And what does it cost you to build a 20 by 20 foot building 10 feet high to store the things? You can't do it for much less than \$10 a square foot. Appreciate your comment on hamburgers. Anybody else selling a third pound hamburger? How about quarter pounders? How many people selling quarter pounders?

(Show of hands.)

CHAIRMAN EVANS: I should say how many people don't sell hamburgers. What does your hamburger menu consist of? Quarter pounders

and what else?

A VOICE: Just quarter pounders.

CHAIRMAN EVANS: Just quarter pounders. You can have that or nothing. What do you get for a quarter pounder?

A VOICE: We get 85¢.

CHAIRMAN EVANS: I forgot to ask Mr. Luckman what do you get for your third pounder?

MR. LUCKMAN: \$1.05.

CHAIRMAN EVANS: \$1.05. Okay. In cents per capita, is hamburger an important item for you?

A VOICE: Yes, it is.

CHAIRMAN EVANS: Do you have a figure on what you're doing on cents per capita on hamburgers?

A VOICE: No, I haven't. In ratio to frankfurters, I'd say about 20%.

CHAIRMAN EVANS: In your park, frankfurters are the most popular.

A VOICE: Yes.

CHAIRMAN EVANS: Do you sell barbecue? The only reason I suggest this is that if you can develop a cents per capita on your hot dogs and cents per capita on your hamburgers, then it should be pretty easy to see what happens when you try out barbecues, for example.

A VOICE: Our hamburgers are pretty much impulse items. We broil them over an open flame, and when they come to the counter to purchase other items and the flames are coming up--

CHAIRMAN EVANS: You get a lot of flash. People see it and they know it's fresh and all the cancer's been grilled out. That's good. Can you identify yourself?

MS. STRAUSSER: My name is Mary Strausser. I represent Darien Lake Fun Company near Buffalo. I'm not in food service. I'm in group sales, and I would like to ask a question to some of the food service experts here in terms of serving hamburgers to cater picnics. The sizes that should be served, successful and unsuccessful stories, eight to a pounders versus half pounders or quarter pounders.

CHAIRMAN EVANS: I should ask Frank Sylvani if he heard the question. Frank, they always have about 20 or 30 company picnics at Americana at any point in time. Do you cater some of the picnics in their area, or do they all come to your main cafeteria?

MR. SYLVANI: We cater all the picnics where they serve food.

CHAIRMAN EVANS: Generally what kind of hamburgers do you run. Do you run chicken or hot dogs or what?

MR. SYLVANI: Mainly our smorgasbord and our chicken dinners are

the main things with picnics. We do have a few odd-balls that want hot dogs and hamburgers.

CHAIRMAN EVANS: Does that answer your question?

MR. SYLVANI: I'm glad to do it. We try to shy away. It's a very difficult thing for us. We're geared up to do 5,000 people for smorgasbord, but we're not geared up to do 20 people for hamburgers. I mean, it shakes us up really. No, we will cater to anyone's needs, anything they want, but we do try to shy away from it as much as we can. Sometimes we send personnel down there and cook up the hamburgers right there where they're at, and sometimes we just do it right in the cafeteria ourselves. We get them all ready, and then we put them in our plastic containers and bring them down to where they're being served. We use a ten to one hamburger for this.

CHAIRMAN EVANS: Can you see it on the bun?

MR. SYLVANI: When you do it like we do it at Americana, you can.

CHAIRMAN EVANS: You've got one you can read the Cincinnati Inquirer through. That's your seven inch patty.

MR. SYLVANI: Again, J. C., when you start to serve quality like we do, you realize that people know. I brought the subject forward to you. They know what we serve, and consequently they're very, very happy.

CHAIRMAN EVANS: They keep coming back. Mary, I think the one thing you have to consider is that you can't serve something that is insufficient quantity and good quality. When they're eating it, the company picnic sponsoring committee is going to get so much hassle from the people, they're going to say, "Let's go to a new place." I don't know if there is another place. Mike would like to comment on the hamburgers for picnics?

MR. BANDERA: Yes. On our catering menu, I've always tried to stress that the buffet style out in our picnic area would be a barbecue dinner or a fried chicken dinner, because it's a good buffet type item, and it holds in a buffet server. If groups want hamburgers and hot dogs we try to funnel them through a snack stand in the park where we have all the cooking facilities and holding facilities especially for hamburgers, and they got a lot better quality product. If they want hamburgers or hot dogs, we'll always try to give it to them.

CHAIRMAN EVANS: I'm sure most of you have at least some group picnics, company picnics, lodges, churches, golden age groups and so forth. Take for instance the group that was assembled in Cincinnati. It appeared to me that we had a few people who were trying to sell a specific item to the group on a prepaid basis with a discount. Now, I don't know whether that can be done. Logistically it might be impossible. But it sure would be nice to know how many people have prepurchased fried chicken baskets and platters, and it would be nice to know in advance if you prepaid or presold on a discount basis. Again, I think that you can merchandise group sales with food and beverage, although generally speaking nobody in food and beverage does much of that. I'm sure you could say, "Okay, we've got ten cent coupons. We're going to sell them for seven and a half cents apiece, and they can be used at random anyplace throughout the park." But if you get specific and

target--well, all I can think is maybe if you're in the East you might have a clam dinner or a shore dinner or something like that and in the Midwest, certainly the fried chicken. If it's presold you don't care whether they eat it or not, and you're going to have a certain number of no shows that will probably make up for the discount. But here again, I think we have to be more merchandisers in the food and beverage area. Do you have group picnics? And that would be a theme park. Do you merchandise any platters or meals, Dick?

MR. HOFFMAN: Well, our marketing department worked out a coupon for anything. We sell a popcorn-Coke coupon, and we get requests for them. We go out, like everybody else, after the Girl Scout week, and we try to sell them so that they at least have something to eat--a hot dog-Coke coupon, with a discount. It's shown clearly on the coupon what the normal price is and what the deal is, and we try to presell it. Also, it helps some of these groups that are dealing with kids coming into the park. They want to make sure they don't blow all their money on the arcade and have nothing left to eat with. They make sure the kids have the coupon. If you've got the coupon there, they're going to eat. They are going to at least have the hamburger or something like that. However, the response is not good. It's available. We attempt to sell it. But as far as the percentage of our food gross, it would be a fraction of one percent.

CHAIRMAN EVANS: Yesterday, Jay and I stopped at a couple of discount stores, and I noticed in a Treasury store they had a combination of a quarter and a giant coke. A twofer. Not two for the price of one, but when you bought the pair, it was combined. I'm not sure that you can do that and keep accurate controls in your park, unless you do have some kind of a coupon to account for the discount things. But I would hope that those of you who are deeply involved in group sales might find a stronger way to merchandise your combinations, merchandise your platters and presell the food or combinations of food. Yes, gentleman from San Jose. Could you identify yourself?

MR. HUTTON: Ed Hutton, Frontier Village in San Jose. I don't think this worked too well. Just like Dick, it's not a big part of our sales. When the groups are offered coupons, at least for us, and we cater about 200 groups a year, we offer a hamburger on a platter. It's a four to one, where we sell five to ones inside the park at the regular food stands. But, of course, we ask for a guaranteed minimum. What we're trying to achieve, as you already know, is to have them give us an initial count ten days before, and a final count two days before, so they guarantee us 800 meals, 700 meals, or whatever.

CHAIRMAN EVANS: At least you're getting a guarantee. We have a company picnic that's held at Americana, and it's surprising that there are a lot of people who bring their own picnic basket. They fry their chicken at home, and they bring in the coolers and chicken. Maybe if we paid them more, if we were better sponsors, we could have a prepaid chicken dinner for them.

MR. WOOD: Charley Wood of Storytown, U.S.A., Lake George. I wonder if any good folks in the room serve barbecued ribs, whether they serve short ribs, full ribs, beef ribs.

MR. HOFFMAN: We've been selling pork loin. We've had to come out with all our lettered signs and all their information early, and

those darn ribs went sky high after we set our prices. They didn't settle down until about the time we were ready to close, so we may stay clear of it rather than have a price we can't live with.

MR. HERSCHEND: Jack Herschend from Silver Dollar City. We also found of all the food we serve, the quality of ribs is as hard to control as any other.

CHAIRMAN EVANS: Of course, when they're beautiful ribs, people love them, and it's almost a specialty. When they're not so beautiful, they say everything else must be bad in the park, and you hate to get a bad image when you are unable to get the purchasing department to bring in the stuff you really want.

Well, I'll say this. When you're pushing large sandwiches, try to push large drinks along with them. The natural inclination is for a person to get a larger drink and also large fries. Push those larger fries.

A VOICE: At Kings Island they have the great big fries, and they look so good. I never really looked into how they fix those. Do these come frozen ahead, or are they fixed on the spot? Does anyone know?

A VOICE: They're cut fresh. They bring potatoes in in sacks. And they cut them right there.

CHAIRMAN EVANS: That's quite a chore, cutting all those potatoes up. It sure is, but, of course, you sell a lot of potatoes, too. A trailer load a day? Not quite. We won't ask for the confidential information. Mike has a comment on the ribs.

MR. BANDERA: Yes. We discovered the barbecued ribs up in New Jersey a few years ago and have done very well with them. We had no cooking facilities, so we had to start looking for somebody that could cook for us. We found a company by the name of Reuben's Meats out of Minnesota or somewhere like that. John Heenan is the man's name. And we bought a beef rib from him. It was a large, long rib, and we put two of them on a plate, and served them with beans, cole slaw and rolls, and the restaurant we were serving them in, along with barbecued chicken and so on, grossed a million dollars a season. We bought in the neighborhood of 85,000 pounds of ribs a year for about the last three years.

CHAIRMAN EVANS: The point is it's a restaurant. Charley, does that answer your question?

MR. WOOD: I thank that gentleman for his information, because I just spent \$3,000 for a rib cooker at the hotel show last week.

CHAIRMAN EVANS: Well, I sure hope you can find a supply of ribs. Otherwise, you might have to fry something else on that. Does it fry chicken, too, Charley? It won't be a total loss if you can't get good pigs.

In the Midwest we have gotten a lot of publicity in AMUSEMENT BUSINESS on the subject of, quote, elephant ears, unquote. This is a deep fried dough product that has some yeast in it. A wad of the stuff is made up, rolled out into a disk, and cooked in a deep fat frier. It is flipped over once, coated with butter and cinnamon sugar is put on the top. They retail for anywhere from 75¢ to a dollar. The food cost is about a dime, which isn't bad.

It's kind of in the matrix of things you like to get involved with. Now, how does that differ from funnel cake? Tell us about funnel cake, Bob.

MR. NEWSWANGER: Funnel cakes are, I guess, very similar, except you don't have the rolling process. You make up a batter. Of course, the name funnel cake becomes obvious. They are dispensed through a funnel. You dish out your scoop of batter into a funnel, and just dispense it right into a small greased frying pan. Flip it over. Fry it on both sides for a couple of minutes, and sprinkle confectionary sugar on it. Sell it.

CHAIRMAN EVANS: You're not putting the butter on it.

MR. NEWSWANGER: Butter's too expensive.

CHAIRMAN EVANS: Use imitation butter, like people use for buttered popcorn. Use a pastry brush to put some imitation butter on it, and then shake the stuff. We're making them down at our booth. There are probably two places down on the floor where they're making a product called elephant ears. Elephant ears basically is a generic phrase, and there's a lawsuit getting publicity in the amusement business concerning this. There are at least a half dozen people fighting the granting of a trademark to a gentleman in Indiana for the use of the word elephant ears. I'm not sure elephant ears is the greatest name anyhow. It's probably only really known in about a 300 mile radius of Richmond, Indiana, where the product was developed. At any rate, there will be powdered concentrate available, which will have all the stuff that goes into it. The sugar, yeast and the salt will be added to the five pounds of flour, mixed up and brewed for awhile. Anybody here selling elephant ears in their park? Tell us how you're doing it, without giving us any family secrets.

MR. DEERY: Tom Deery, Rockford Speedway, Rockford, Illinois. This year we started selling what we call doughboys. We're a week-end operation only, and we couldn't make up a batch. We could never find out what the formula was because no one would give it to us. We went to our food supplier and bought small loaves of bread. I think they call it a demi-loaf. We let them thaw because they're frozen. We chop it into three or four pieces, roll it out and put it in a deep fat fryer. It worked great, except that it took so long to roll out the bread. We experimented with wheat bread, which doesn't take half the rolling that normal bread does and it worked better, except that people noticed the difference, so we went back to the regular bread. Right now we're faced with the rolling problem, and we hope to solve that while we're here.

CHAIRMAN EVANS: Tom, what would your food cost be, and what was your selling price?

MR. DEERY: We sold them for 75¢. The food cost for the dough and all the condiments--besides sugar and cinammon, we had pizza sauce, butter, honey and a few other things--averaged out to about 10, 12 cents.

CHAIRMAN EVANS: Does this compete with many other items on your menu? It's sort of a dessert type item. You're the one that sells those 64 ounce tubs of beer, aren't you, Tom?

MR. DEERY: That's correct.

CHAIRMAN EVANS: What do you get for a 64 ounce tub of beer?

MR. DEERY: 3.50. We also have this in the same building as our pretzels. It did affect the pretzel sales a little bit.

CHAIRMAN EVANS: You set up certain criteria for a menu addition. Sure, when you add an item on, it may adversely affect per capita sales of a given item. If that item has a 25 to 30% food cost and the new item you add has a 15% food cost you don't care if you lose a little bit of the high food cost item. Do you have a cents per capita in the speedway on that item, Tom? I'll say this. That you have to be looking for items that people are buying. In county fairs, people are standing in lines for these things, and you have got to make it a good quality. You can't make it too small. If you make it too small, it won't be exactly like the product they've seen at the county fairs. We'll be running demonstrations all day tomorrow and all day the next day.

MR. WILLIAMS: My name is Warren Williams of Pennsylvania Dutch. I'd like to comment more on the funnel cakes. We're the largest manufacturer of funnel cake mixes and equipment and fruit flavors in the United States. We're currently getting into theme parks. We have a chain of restaurants in shopping centers, and we have another division of our company that goes into these large outdoor state fairs. It's something that's a tremendously high profit item, and it retails for \$1.25. If you compare this to your cotton candy sales or your snow cones or ice cream, you will find that you have to sell two cotton candies to equal one unit of our product, with a food cost of approximately 13%. That's equipped with a plate, the sugar, the shortening and the mix. We also have a full line of twelve flavors of funnel cakes. We have chocolate chip, Blueberry, strawberry, apple, butter pecan--

CHAIRMAN EVANS: Why don't you have a booth?

MR. WILLIAMS: We tried to have a booth. The problem is they ran out of space. Basically it's a terrific item. The demand is there. In six hours we rack up \$3,000 worth of sales on these small fairs.

CHAIRMAN EVANS: The point you're making here is that fried dough items will sell in a fun type setting, and it doesn't make any difference whether it's a county fair, amusement park, public park, zoo or anything else. Of course, if they're a zoo, there's nothing left over. You eat it all, except maybe a little paper napkin. But funnel cakes are really from the Allegheny Mountains to the Atlantic Ocean.

I think the only place you've seen elephant ears is from Richmond, Indiana, the Pennsylvania border, and probably no more west than the Mississippi River. Maybe a little in Wisconsin and Michigan fairs. But Ms. Rohr, who is challenging Mr. Carroll in the pages of AMUSEMENT BUSINESS has been making them for a long time. Everybody who has been making these elephant ears will fight like tigers to maintain their right to use this generic phrase.

A VOICE: Mr. Evans, one other point. The fact is when you merchandise these fried products people want to take them home with them, and it's important to have bags for take-out. Also, in regards to the funnel cakes, again you have to offer a variety of flavors to repeat business plus to increase. Instead of getting

a plain old cake, you can have fruit flavors and varieties. You also saw the kit, the little funnel and mix is a souvenir item. When people buy the cake they can buy this packaged gift kit, which retailed for 6.00. It's a terrific item to take home with them.

CHAIRMAN EVANS: This is something we've talked about before, things people can take home with them. We started off talking about a souvenir. Now we're talking about something you can do yourself at home. We're talking about larger sizes of popcorn that you take home. If a person leaves and all they've got is a little plush from your games, maybe they can't recreate the fun and frolic that they've had at your park or wherever you operate. Look into things which enables people to take a little bit of the fun time that they had at your place home with them. A fried item is something people are going to eat, and you might as well look into what can be made available. Make sure you spend some time in the exhibit hall.

Soft serve yogurt. I think we updated this thing. Is anybody still selling it? How many people own a soft serve freezer or have one that is available to them?

(Show of hands.)

CHAIRMAN EVANS: Not very many. That's kind of a surprise, because the machines that are made today pretty well eliminate all the problems you had in years past. At night you used to have to tear the machine down, disassemble it and sanitize it. Today the machines are made with what's known as a night switch, and the night switch keeps your mix hopper at under 40 degrees, which satisfies the board of health. Your freezing chamber is also kept cold. The main thing is all temperatures are kept below the safe level of 40 degrees. That's the federal government. Hot foods have to stay hot; cold foods have to stay cold. As long as you maintain those temperatures, according to the board of health, you're okay. The thing we're talking about is frozen desserts. People say, "I can't get enough ice for snow cones," but you can go to a flat water slush, which is pretty easy. You can go to a frozen dessert of some kind. We talked about a fried dough item that fills a void. It isn't going to be taking that much away from anything, except possibly soft pretzels. Here you've got a frozen dessert part of your menu. What will fit in? Well, I think the Italian ice. A lot of people were dipping Italian ice, and there were exhibitors here in the past. I don't know whether the fellow from Birmingham is here this year on the exhibit floor or not. I know that there is one twister type machine on the exhibit floor right now that has one barrel of vanilla soft serve and another barrel of orange Italian ice. Stan Heim, you were probably the first person in the funspot business to twist Italian ice with soft serve. Maybe you could just tell us what impact this had on food cost, what unit sales were and so forth. What kind of machine do you use?

MR. HEIM: We are using a Taylor double barrel.

CHAIRMAN EVANS: Night switch or not?

MR. HEIM: Night switch, definitely, and I can't remember food costs. I believe it was 6¢. That was on our large four ounce cup, I believe.

CHAIRMAN EVANS: What did you retail it for, Stan? 50 cents?

MR. HEIM: 35.

CHAIRMAN EVANS: Today I think you'd go for 45¢ and your food cost would be 7¢. Here you're talking about the 14 1/2% or 14% range. It's a frozen dessert, and a machine like that, Stan, could turn out how many servings an hour?

MR. HEIM: I think about 200 servings.

CHAIRMAN EVANS: I would say 300. We had a machine at the theater concession show in New York, and there's just almost no way you can draw stuff out faster than that machine cranks it out. The point is you had one cup with orange and white mixed in. A rather flashy type thing, I'd say. How did you promote it? What kind of signing did you use? What did you call it?

MR. HEIM: We call it the soft Italian twist.

CHAIRMAN EVANS: Soft Italian twist. Anyone else run a twisted soft serve freezer? When you have a soft ice cream machine, you might say, "I've got to break the thing down all the time." If you have a non-dairy product you might not have to. That's the whole point of the ice. It's non-dairy. There's no dairy stuff in it at all, and there also is no fat in it, so you must clean your machine once a week and lubricate the bearings in the back or the seals in the back. In the soft serve you have the butter fat, and that tends to act as a lubricant. At any rate, Italian ice is something that is promotable. If you're going to run a twister machine, don't run it like every soft serve joint in town. You see the soft serve machine has always been on the back bar. Place the machine in the front line of your stand so when you pull the handle, the people can see the two colors come out and go in the cup. It makes a beautiful serving. I don't know what booth Coldelite's in. If you want to see how the product is and taste it, Coldelite is running orange and vanilla. You could also go red and vanilla, which would be a strawberry. There are many flavors available, and all I am suggesting is that it is a long profit item that really fills what could be a void in your menu. The only frozen dessert you've got right now is ice cream, which is going up in price and it's logistically tough, and snow cones. Maybe you can call FCB a frozen dessert. I'm not sure. But I'd say soft serve yogurt is pretty much dead, although didn't the guys from Opryland say they went back to selling it?

MR. BANDERA: Yes, they did.

CHAIRMAN EVANS: And two years ago here they said they tested it during August and early September and bought \$18,000 of equipment. They ran it up into the season. They have come back this season with soft frozen yogurt at Opryland. Anybody else selling frozen yogurt? Is it good, bad, indifferent? How many cents per capita are you getting on it? Two and a half cents per capita? But you have got a lot of capitas running through your park. Selling in one location? In a park that size, you sell ice cream in how many locations? 14. So it is a measurable thing. Mike, you had a question.

MR. BANDERA: Cary, is that down from previous years? It's up.

CHAIRMAN EVANS: You get a sponsor--Dannon or Hood. Dannon is Danni-Yo, one of those names that has become more familiar, and you almost have to look and see what's happening in yogurt. It

may be something that your clientele would really like, and maybe it wouldn't. I know in Boston, Massachusetts the school system owns a lot of soft serve freezers, which are used in preparing soft frozen yogurt for sale at lunchtime, and the kids are staying away in droves from the soft frozen yogurt. About three days a week they sell Italian ice in the machine, and they sell a lot of it, so it's a good deal. Ices are something that have been known for years and were premade in little three gallon buckets or tubs in Eastern Seaboard states, Philadelphia through Boston. It really didn't create much west of the Alleghenies. Two years ago there was a guy at the park show here selling Greek ices. They were again premade. I know Santiago Mexican American Restaurants, which is Kentucky Fried Chicken, bought 44 soft serve freezers from Stolting, I believe, and they're going to call it Mexican ice in their stores. In Texas you'd call it jelado or something, right?

At any rate, find more ways to fill the vacuums on your menu, because I'd say the fried dough item is a category in itself, and so are these frozen desserts. We really sell a lot of quarter pound hot dogs every year, but I'm really curious to know how many people here sell double dogs? That's because you don't know what double dogs are. At a seminar in Minneapolis a guy there said, "I put double dogs in the long bun. They are two twelve to the pound hot dogs, so I'm getting six servings per item." He said, "This particular item outsells every item on my menu in the hot dog category." Stan, last year you said something about your quarter pounders outselling foot longs.

MR. HEIM: Quarter pounders did outsell the foot longs, but of course we were just testing at the end of the season. I don't know what they did this year.

MR. BANDERA: Were they merchandised side by side on the same menu?

MR. HEIM: They were in the same booth, right.

CHAIRMAN EVANS: Last year we misused the term. We said any hot dog that's called a foot long has to be a foot long. There was an article in FAST SERVICE MAGAZINE this year that said any hot dog over eight inches long is generically a foot long, but I would want to fight the FTC on that.

Frank, are you pushing quarter pounders at Americana?

MR. SYLVANI: Quarter pounders.

CHAIRMAN EVANS: You're pushing quarter pounders. You're using the eight inch quarter pounder rather than the six inch quarter pounder. It looks like a rather ample serving. What do you get for it? 1.05 or 1.25?

MR. SYLVANI: 1.25.

CHAIRMAN EVANS: 1.25 for an eight inch quarter pounder, which Oscar Mayer does have available. I don't know whether it's universally available. Anybody else using eight inch quarter pounders as opposed to six inch quarter pounders? Did you have a difference in hot dogs when you switched from the short quarter pounder to the long one, or did you just start out with the eight inch quarter pounder, and what did you get for it?

A VOICE: We just started off with it at mid-season. We had Oscar

Mayer to begin with, and we dropped them. That's no reflection on them whatsoever. The quality's very good. We dropped quarter pounders into our group business to see if it would have any effect. It did and it didn't. People weren't willing to pay the price. We went from \$1.10 a pound to \$1.35 a pound before the season was out. We got burned. So we dropped a lot of the product mid-season.

CHAIRMAN EVANS: What was your retail on the quarter pounder?

A VOICE: The retail was 1.20.

CHAIRMAN EVANS: It looks like everybody's getting up over a buck. When hot dogs rise in price, you're always sorely tempted to shop for a new source. Do you really want to stick with the quality when there's pressure on price? You're sorely tempted to say, "Where can I find this stuff cheaper and still maintain quality?" You've got to emphasize quality. If you're not willing to eat the stuff yourself, that's a problem.

A VOICE: I will say this. We changed our quality mid-season, and we didn't hear the end of it from our customers. We're going back to quality. The only problem we had with quarter pounders was the length of time it took to cook. In dealing with groups, you don't have that time. With retail there is no problem.

CHAIRMAN EVANS: Get more machines. Thanks a lot. Mike has a comment.

MR. BANDERA: Stan, were you selling the six or the eight inch quarter pounder?

MR. HEIM: I think it was eight inches. It's an Oscar Mayer.

MR. BANDERA: My experience this year was the exact opposite of yours. I had the quarter pounders on the menu with the quarter pound hamburgers and so on, and I didn't feel I was selling enough quarter pound hot dogs. I wanted to pick up the hot dog sales, so I brought in foot longs and put them on the menu right next to the quarter pounders, and they started selling.

CHAIRMAN EVANS: Which started selling?

MR. BANDERA: The foot longs started selling. The guests seemed to perceive the foot long as the better value, even if it wasn't. I merchandised them at the same price.

CHAIRMAN EVANS: But you get six to the pound on foot longs and four to the pound on quarter pounders.

MR. BANDERA: I was using five.

CHAIRMAN EVANS: Same retail. When you were selling foot longs, you were using six to the pound foot longs at 95¢.

MR. SYLVANI: We were using five to the pound. We didn't sell any at all.

CHAIRMAN EVANS: It was not a good item at Americana. They were both Oscar Mayer products. I'll be darned. Anybody else have any comments on how to merchandise hot dogs or quarter pounders?

A VOICE: Is it a good idea to advertise the brand of product that you use?

CHAIRMAN EVANS: I personally feel if you have a nationally recognized brand, you don't want to hide it under a bushel. You do want to make it available. Frank mentioned last year that they don't allow any purveyors to advertise their products in his park. You don't have a provision for them to pay to advertise. Maybe if you put a provision in, they'd come in and pay. But he did get special signs from Oscar Mayer, and they did put Oscar Mayer product on the bottom of the hot dog sign. I don't know what you feel about those. You've got well recognized purveyors. You use Rath, don't you?

MR. HOFFMAN: We're committed to Rath. Their supermarket Rathskellar line that they're going into started in our park. The sponsor facility called a Rathskellar pilot program to try to get some familiarity in Iowa. So we're committed to Rath. But a lot of our products are non-Rath. Rath doesn't pack a foot long. We still get it through Rath food service division, but it's not a Rath.

CHAIRMAN EVANS: Outside of your Rathskellar, which they help sponsor, do you mention that they're Rath hot dogs?

MR. HOFFMAN: That's part of our commitment. All signs have Rath on them.

CHAIRMAN EVANS: Bob, at Dutch Wonderland, do you use a well known name in the Pennsylvania Dutch Country?

MR. NEWSWANGER: Yes. I deal with Kuntzler Products. It's a local manufacturer, and, yes, I advertise their name. As a matter of fact, they provide me with napkins for sign bars.

CHAIRMAN EVANS: But it's also a quality product.

MR. NEWSWANGER: Yes.

CHAIRMAN EVANS: It's nice getting a quality product at a good inside price. That's the other side of it.

A VOICE: We dealt with both Oscar Mayer and Milshire Farms, and both purveyors allowed one cent per pound on advertising.

CHAIRMAN EVANS: One cent on \$1.35 is not even a one percent discount. The thing I think you have to look at in your park, no matter whether you're very small or whether you're turning two million turnstile clicks a year, that the public that patronizes your place also happens to be consumers the other 364 days of the year. There may be some real good benefits you can get in advertising allowance. Some have deluxe, beautiful transparency type signs for the back bars. Again, they buy it once at your place, they're going to buy it 365 days a year at other places.

We're not making a whole lot of progress, but that's always the situation. We'll touch real briefly on popcorn with butter. I was at a seminar where somebody was talking about popcorn with butter and the various sizes. If you're going to get into it, try to go three ways. There are roller rinks in our area where 65% of their popcorn sales are theater style, meaning with a squirt of imitation butter on the top. There is one exhibitor down here

who's pushing it. I'll put it this way. There are probably 200 places in America where you can buy cups for selling buttered popcorn, meaning imitation butter. Is anybody still selling popcorn with imitation butter in a funspot setting out here? Do you run one size or two sizes, and what do you get for it?

A VOICE: One size. Milt Cooper was supposed to be on your panel up there from Libertyland. I believe he's getting 50¢, and it's on the small size cup.

A VOICE: 35 for the regular popcorn, and 50.

CHAIRMAN EVANS: You're getting 15¢ extra for butter, and your container costs a penny more, so you're spending two and a half cents more and getting 15¢ more. When people get out of the car in your parking lot, they're not thinking about buying buttered popcorn. At the theater, when people get out of their car in the parking lot, they are going to have popcorn with butter, and virtually 85 or 90% of the popcorn is sold with a squirt of butter. But they don't have a patent on the idea. I said before, get out at the county fair, see what the people are buying. Here's the same situation. The theaters are good merchants. They're not bad price-wise. You can borrow a butter squirter from whoever you buy your popcorn containers from. Borrow it. Do some testing. See what kind of unit sales you're getting, and if it's good enough to keep, fine. There are some beautiful mobiles put out by the cup manufacturers. I saw one the other day. There were several at the theater show, as you would imagine. There were four different hanging type things with little signs. These are ways to catch attention and merchandise the buttered popcorn. We have to take advantage of all the merchandising available. Anybody here sell buttered? Didn't you ever try it? Why didn't you? Well, you didn't because we never did.

Why do we do some of the things we do? I don't know. We just do them because that's the way we have always done them, and we want to maintain the status quo and we don't want to make any waves. I think if we make better waves we're going to do a lot more business.

MR. HEIM: While we're on popcorn, my zoo director made me take popcorn out of our stand this year, and it severely affected volume sales. Does anybody have any ammunition I can take back to hit him with so I can get it back next year? He claims that the vet claims it hurts the animals' diets?

CHAIRMAN EVANS: You've probably got the only zoo in the country like that. He'll let you sell candy and paper cones and all this other stuff, but he won't let you sell popcorn. Oh, my goodness. That's a shame. Well, do people feed the popcorn to the animals? I'll tell you what. Write to the popcorn institute. Maybe they'll give you an answer to that question, but I doubt it. Does it bloat the animals? Is that the problem?

MR. HEIM: It doesn't hurt them at all. We've had popcorn and animals since 1892. Well, I've only had them since about 1943, but my grandfather and great grandfather did, and we've never had any problem whatsoever with popcorn with the animals. The only thing it will hurt is if you're selling animal feed. It will certainly hurt that.

CHAIRMAN EVANS: But you make more money on popcorn than you do

on animal feed.

We've got a book here, "Dynamite from Popcorn," which I probably should send you. I had a gal research the subject, and of course the starches are much more digestible once they've been broken down. You get corn that's popping today 40, 41, 42 to one, and it's pretty tough for an animal to eat enough of the stuff that it's really going to hurt its diet. I thought it was going to get bloated or something like that, a ruminant type diet, but you'd have to eat literally five gallons of popcorn. That may be possible in the course of a day, but I can't see how a little bit would hurt.

Hot dog on a stick. Nobody had any promotional ideas in Cincinnati on that. Anybody promoting hot dog on a stick real strong? We'll forget about that. Platters. The idea of platters, even with hot dogs on a stick, was mentioned as a good way on the midway, and I think that's the key phrase. Push a platter or a basket type thing on the midway. Sure, in restaurants everybody has platters. Do you run any platters on the midway, Stan? This might be something you could get a little bit more cents per capita out of. Sometimes you look at the layout of your park and say, where's my restaurant? It's way over there. You've got to have a real planned, definite purchase, and that's not the way people do things in parks. Everything's impulse, so if you can get them to buy more stuff, build up the sale on a little basket or a platter of some type with a combination of things. Granted in a zoo you wouldn't want to use a plastic fork. But in other types of places, I can't see where it's going to be a big problem.

Snow cones. Somebody discovered snow cones, and they've been around many years. Whipped orange drinks. Again, people are retailing whipped orange drinks. There are a lot of them that come in from Seabreeze.

A VOICE: Every meeting I have to warn myself about the competition being in the room, but I'll say this. Along with snow cones, we put one of these slurry type machines right next to our snow cone machine and it lasted one week. We had to buy two, and we got rid of snow cones. I just want to point that out, because snow cones have always been a traditional high profit margin item. We could not keep up with the trade with it. I think you called the product FCB. Some people call it slurry. Some people call it polar bear drink or something. I don't know. But we're looking at expanding that right into a moving car, because we couldn't keep up with it.

CHAIRMAN EVANS: You own your own machines or on a percentage?

A VOICE: We leased them at first.

A VOICE: Excuse me. Can I ask one more question? Riverside Park up at Agawam has what I think is about the most ingenious answer to the shortage of ice for snow cones. I don't know what they call the machine. In fact, I'd like to know. And if Eddie Carroll is around, he could help me out by telling me. It makes its own ice right on the spot. It just keeps dribbling mountains of ice down into this hopper. It's beautiful.

CHAIRMAN EVANS: It would be a high capacity crush ice maker, and I'm sure that almost all your ice manufacturers would probably have this. I don't know whether it's a Manitowoc machine. I don't

know how big Houseman's stuff goes. At Great Adventure you were making a hundred tons a day, or was it at Six Flags that you were making 122 tons of ice a day? But that would be made in cubes. Cracked ice.

Was there a question?

A VOICE: I have a question. Maybe somebody can help me. We've got a flaker right now, an ice machine, that puts out about 1,400 pounds a day. That's what it's published at. We were looking at a small cuber, because of the foaming problem with the flaker. I talked to people at the machine companies, and they couldn't give me a figure like what kind of capacity you would need to kind of match that flaking capacity on a cuber because it's not the same. I was trying to get a volume amount of how many pounds of a small cube it would need as compared to a flake machine that puts out 1,400 pounds a day. Is there anybody here that knows from their experience?

CHAIRMAN EVANS: I would talk to your ice cube manufacturers, the representatives that you're talking with. They should have the equipment compressor capacity, and the compressor. If you've got a two horsepower compressor, it puts out whatever it puts out. If it puts out more flakes then those are probably partially frozen, and cubes are all frozen.

A VOICE: I would think that you would use much more flake than you would cubes; is that correct?

CHAIRMAN EVANS: Well, it depends. If you're working with drinks, your flakes melt quicker, but flakes are not totally frozen unless you put them in a hardening area. There's some water inside the machine, and it makes more flakes per day than it makes cubes generally. I'd talk to my ice cube machine supplier.

We're coming right down to the end here. Everybody always wonders about not including restaurant/cafeteria in what is your food cost percentage. I think that the snacks we've talked about today, not counting ice cream and fried chicken, would run 16, 17, 18, maybe 20% maximum and labor costs would be almost in the same range. Again, it depends on what your park is, how busy you are and whatever items you have on the menu. If you're working your park at full capacity all day long, labor as percentage of food cost is always low, and if you're slow, labor is going to be a higher percentage, because you can't have half a person working in the stands.

I would like to talk about one thing and it is only from the point of view that you people at times feel that you're not in food service. I'll tell you, the ladies who bring their kids around to your amusement park and see that you don't have towels and soap figure you don't have a clean restroom. They figure the food service personnel use the same restroom, and if it looks like an outhouse, it's going to hurt your sales per capita. There's no way to get away from it. It's a point that's cast in stone, and I would strongly urge you to make sure you have cleaner restrooms all season long. In fact, last year somebody said they had these gals they suspected of cleaning the cash registers. They put them on latrine duty. Eventually they'll quit, and then they can get somebody else. This can be kind of like Siberia. But make sure it's done right. Then you've got a reason to fire somebody, because they didn't do a good job.

I did want to mention one thing about promotions. We mentioned an Oktoberfest type promotion. I was talking to Mike Mason in late September, at Worlds of Fun in Kansas City, and they were getting involved in their Oktoberfest promotion. Well, in Cincinnati I know a restaurant that runs Christmas in July. Fred Corrigan was talking about his promotion at Valley Fair, a good old days type thing. Get themes for promotions. For Oktoberfest you can go buy these mugs, which are dishwasher safe, from one of the guys who makes sippers. He gets 35¢ for them, printed with your logo. You say you don't want beer? I'll say there are a lot of ways to promote an Oktoberfest with an oom-pah band and a polka contest, and maybe even get the kids involved in it, get some prizes. The whole thing I'm saying is get more excitement going on. Sure, you've got a theme park in some of your cases, but sub-theme special events. You can run it for a week, or you maybe can run it for two weeks. The whole thing is to figure out how you can promote better, strong, harder, and try to shake up the status quo.

I think the bottom line on it is various types of incentives. Certainly work with older people. Kids want the money in their pockets, but older people seem to want other benefits. Get involved in better things like where to find people, how to keep them happy, how to keep them coming back, how to get them to work harder. The most important thing is make people part of the act. Once you start measuring, let them know how they're doing. If we all have a failure then that's one thing that we're all guilty of. We hire people, and we expect them to really put out, to go like gangbusters in the snack bars, but we never tell them how well they're doing and what they did that resulted in four or five cents more per capita this week from this particular stand. Break your accounting periods down. Mike used to do it on four weeks. Break your accounting periods down so you can measure performance, and then take immediate action. The psychologists tell you if you can give quick rewards or quick punishment, the people would know what to expect better. So the thing is to become a master motivator. Take the time to send some of your people out to training sessions. Training sessions are a motivation. You get what you pay for. Managers, if you spend time training managers, you'll have better managers, and they just can't get all their information from you. They've got to go to seminars on motivation, and working with people. Nothing happens by accident. If it were easy to be rich, everybody would be zillionaires. There are some bored millionaires, I guess, but in your case we do hope that you'll be very successful in the 1979 season. We hope that you will shake up the status quo. The status quo has just got to go, and in the process we think you'll have a super season. I hope you do next year. Thanks for coming.

... The workshop was concluded at 12 noon ...

CONCURRENT BREAKFAST SESSIONS

SMALL FACILITY OPEN FLOOR DISCUSSION

FRIDAY, NOVEMBER 17, 1978

SALON D

The Small Facility Open Floor Discussion convened at 8:45 a.m., William H. Robinson, Americana-LeSourdsville, Middletown, OH, presiding.

CHAIRMAN ROBINSON: Good morning, everyone. My name is Bill Robinson. I'm with Americana Amusement Park and LeSourdsville Lake in Middletown, Ohio. I am not here as a speaker. I am here basically to take questions from the floor which will be answered from those of you on the floor. We only have an hour and fifteen minutes, and I'm sure that you have a lot of questions that you'd like to be answered. So, please, let's get started. Just give your name and the park you are with.

MR. MILLER: My name is Bob Miller. I own the Great American Water Slide in Williamsburg, Virginia.

Some of you people are here calling yourself "small facilities." But compared to me, you're like Six Flags. So, I'd really like to address this to the really small facilities.

My operation is strictly an arcade, a water slide and miniature golf. I would like to get some comments from people here on where they are getting the best dollar value for their advertising: billboards, newspapers, television, radio, personal stuff with a costume character at shopping centers? In other words, which way can we spend our money best and get the most out of it to advertise a real small facility?

MS. BUTCHART: Jean Butchart from Thumb Fun Amusement Park, Fish Creek, Wisconsin. We found TV to be the best medium. We are a destination resort area, and we find that people on vacation are not watching TV. They're out doing things. So, our effective time for advertising was June. It increased our business, I would say, 120% by advertising TV spots. Of course, I do realize the Green Bay market is a lot cheaper than your eastern market. Twenty dollars a spot is a lot easier to pay, I realize that.

MR. MILLER: This is one of the problems we find. For example, in the area we are, we pay our advertising on the potential people who receive the message. We're in an area where it is very high. But yet, it is divided by 40 radio stations. So, you spend your dollar on one of them and who in the blazes is listening to that particular one. So, this is an additional problem.

But I appreciate that advice, because I never thought of television in June, when people are still home and in towns 50, 60 miles away.

MR. GARY: Gary from Pocono's Magic Valley in the Poconos, Pennsylvania, in response to Bob. If I remember right, Bob's got a water slide between major hotels and he's not a destination point. We're in the Poconos. And with all the TV, the radio and the mass media that we tried, we found 60-75% of our people came because of our brochure. In the middle of the season, we had six people on the road, distributing brochures daily. Some areas had to be called on twice a week, others, once a week. We tried to cover a 40-mile radius with all the hotels and all the restaurants in the Poconos. There's a slew of restaurants. Everywhere you turn there is a hotel or a resort. Perhaps that was the key.

The radio, the TV gave some exposure. But as the people came into the area, a brochure seemed to be the key to ours.

CHAIRMAN ROBINSON: Do we have any advertising agents or people who work just with advertising in their park, who would like to get up and make a comment? What is the proper media for any size

park, really?

MR. COOPER: I'm Brad Cooper. We have a Western Playland, the World's Restaurant, and a Dude Ranch that handles some overnight wagon trains. It is really so hard to say, "Well, here's your answer," unless you really know what your market is.

Folders work for a lot of people. We found at our park, in relation to special promotions, one of the nicest things that works is a lot of couponing, a lot of tickets work with places like McDonalds, Wendy's.

Let me throw this out in regards to McDonalds. McDonalds is a tough nut to crack, but it can be done. McDonalds has a problem with families eating dinner there on week nights. They are looking for a situation where the whole family will go out together on one of their down times, week nights. So, we have been attempting to put together a coupon type package where the whole family goes to McDonalds, and then go to the park as a family, a family event type thing. We're going to try to do that next year.

If you can link up with somebody who has more advertising muscle than you do, like Wendy's, and McDonalds, you can hook your boxcar onto their engine. You can get a lot further in things like this. It is something you might consider, rather than trying to carry that whole ball yourself. In El Paso, the TV commercials are up to \$200.00 for a 30-second spot. I understand in Houston and Los Angeles they get \$1,000.00 for a 30-second spot. It's getting to the point where mass media is extremely hard to get. If you are a small operation with a water slide and a miniature golf course, you're going to burn all the profits you may be thinking you're going to get. Hook your caboose to somebody else's engine, and try to run with him for awhile. This is what I would suggest.

MR. DAVIS: I have two questions. I'm Jim Davis from Indiana Beach. First, how many of you have a costume character with your park?

(Show of hands.)

MR. DAVIS: How many of you don't?

(Show of hands.)

MR. DAVIS: Nearly everybody does. All right. Then of those of you who do, how many of you use him outside the park as well as inside the park?

(Show of hands.)

MR. DAVIS: At least half. How many of you have him on your logo or on some of your literature?

(Show of hands.)

MR. DAVIS: Maybe not half. I'll be glad to receive particular ideas on that one. But my next question pertains to ecology or whatever you want to call it. Do any of you have any problems with people pulling up flowers, tearing down trees? I can tell by the laughter that everyone else does. But what is a good solution to it as far as discipline against a guest?

CHAIRMAN ROBINSON: Does anyone have an answer to the question regarding that subject: No? Next question.

MR. PERO: Tony Pero from Ocean Park in Connecticut. For Bob Miller, I'd just like to put this forth.

We're from a tourist area. What we have done is to try to keep the people in the area as long as we can. We formed a group of attractions in the area. And we set up an information booth at one of the largest tourist attractions. We pay for that through membership and through brochures and things like that.

And we have worked with the motels in the area to try to keep the people there. We try to keep them three or four days and hope that they'll come to our place or one of the other attractions. This seems to have worked well for us. We're just getting back out of the red.

We are having a meeting on Monday with the State Commissioner on how we feel he can help us. They always complain that they do not have enough money; but we feel that some of the money that they are using is not put to proper use. We do work together as attractions in the area, if that will help any way.

CHAIRMAN ROBINSON: Would you mind getting into detail, if for nobody else's benefit but for mine, how you work your program with the motel.

MR. PERO: We have a tourist committee. They allow us to go into the motels and put our brochures there. And of course, it works for them, too, if people stay overnight. They are very cooperative with us, and they're part of our committee.

CHAIRMAN ROBINSON: Is there anyone here who has someone in motels selling tickets for you? Are you giving them a percentage of that ticket? Would you explain the program?

MR. GARY: Gary with Magic Valley. With all our resorts, we have campgrounds and motels. We give them our group rate and they buy the tickets on a delayed payment scale. In other words, if they bought 50 tickets, they can have 50. If they want an additional 50, they must pay for the first 50. We give them the group rates, and they actually sell the tickets. And they can sell them for whatever they like. We find that most of the campgrounds, motels, sell them at their cost. A few will increase it by 25¢ just to cover the handling. But I don't think anyone has taken advantage of the situation. Because we are the only major attraction within the Poconos, most of the people are coming anyway. And now they have got an added advantage of offering a ticket to Magic Valley.

CHAIRMAN ROBINSON: Do you advertise with a display at the motels?

MR. GARY: We use brochures. We have an arrangement with all of the hotels and campgrounds. We have a display board within our gift shop where we return the favor with everyone's literature.

CHAIRMAN ROBINSON: But in the hotel is there a sign that says you can buy tickets at a discount rate?

MR. GARY: Each motel makes its own sign or does something. We didn't have to, but I imagine we should have. They have made their

own signs and will put up their own insignia, "Tickets are available here." It is something that our ad agency has suggested that we do for next year.

(Unidentified member of the audience inaudibly asks Mr. Gary a question.)

MR. GARY: Her question was: do we sell our tickets to the motel at a discount rate? Yes, we do. We offer them the group discount as long as they bought in lots of 50 or more, the straight group discount.

It works well for us. We make them aware of it through a mailing. We are with the Pocono Mountain Vacation Bureau, and there is a news letter sent throughout the entire Poconos. And we mention it in there.

CHAIRMAN ROBINSON: I thought it was impressive at the meeting this summer that most of the motels had signs out front that said, "Busch Gardens is open this weekend. Tickets available here." And I thought, look at the billboards they had around town they didn't have to pay for. Does anyone here get into it?

MR. MILLER: Being from Williamsburg, I can say it's true. Busch Gardens sells tickets at at least a hundred locations. You can't even buy a billboard in Williamsburg.

But what I've done in my small way to counteract that or copy it, in answer to the Pocono gentleman, I take tickets to the campgrounds. I either give 'em a hundred or two hundred lots, have them numbered, have them completely color coded, seven colors for seven campgrounds. I'm real nice. I leave them the tickets and don't collect any money until the end of the year. I get all the tickets. And then I go out and collect. It hasn't been as successful as I hoped. Each campground sold at least 100. Two of them hit the 200 mark. But the point I want to make is I charge \$2.00 at our slide. And they sell the tickets for \$2.00. And I kick a quarter back to them. But the real kicker is that everybody who sells those tickets has a sign at a very predominant location in that campground. It shows three color pictures and a lot of publicity about my water slide. I don't pay a nickel for that. And it is worth it. Plus a lot of people who come to the slide from the campgrounds come because they remind them by asking them to buy tickets. But they don't really buy them there. They come on over. And I even get the extra quarter that way. So, I think it is a very good idea.

CHAIRMAN ROBINSON: New question?

MR. WOOD: I'm Charley Wood with Storytown, U.S.A. I would like to ask our friends here this morning when they start their advertising, whether they wait till a week before they open and then go on the radio, television, news print and all; or whether they start a month ahead and quit earlier? This is a big question in my mind: which is the proper method?

MS. SPAS: My name is April Spas. I'm from Darien Lake in Corfu, New York. If you've never heard of Corfu, it's near Buffalo. Our campground and skateboard park open up much earlier than the rest of the park, so we start with some campground advertising, of course, in all of the directories in the industry. As far as television and radio we do some in April, build to a crescendo in July,

and then fall off pretty much in August and September. We do have special weekends like Septemberfest or Octoberfest kind of weekends that we do advertise in the newspapers in the fall.

MR. DAVIS: Jim Davis, Indiana Beach. The only major thing we do before springtime is to hit most of the travel shows. That will help bring in a tremendous number of camping conventions or just plain campers and visitors to the resort area. Of course, that overflows from campground to our park. About springtime, the only normal media thing we do before opening is a few TV spots prior to opening weekend. I drop it off for awhile, and build up shortly before we open for daily operation, the third week in May, and then run it heavy through June, taper off after that, and just about stop entirely by the second week in August, because by then people are coming. They know, we already have just about as many as we can handle. The only thing we might do after that is run a few at the end with a cut at the bottom, "Indiana Beach will be open one more weekend after Labor Day," or words to that effect. That pretty much takes care of TV. With the radio, it's a heavy push at the beginning of the season through about mid-June. Then I skip it for periods of time entirely. We don't do very much of radio compared to TV, because in a rural area, there are so many radio stations, as opposed to a few good TV stations. We can get on newspapers just for grand opening ads and special attractions for entertainment. Otherwise, we have no ongoing ads.

CHAIRMAN ROBINSON: Excuse me. But if I remember right, you ran a promotion in March?

MR. DAVIS: Right.

CHAIRMAN ROBINSON: You used the Burger Chef in March, and you don't open till April. I just wondered how it came out? Did it do you any good or not?

MR. DAVIS: With Burger Chef and two TV stations, we had, I think a total of 60 free weekends for a family of four with \$50.00 of food, rides and everything thrown in. That worked out very well. All but 20 of the 50 or 60 actually showed up. I'd hoped they would. But whether or not it actually improved business for the season, I really can't see any lasting benefit from it. Maybe it will, maybe it won't. It's just something we tried for the first time. It's not cheap. We did it then particularly to get people to come up, or to get the word out before the season. That was really our advance advertising.

In addition to that, we sent out a lot of certificates for ride passes. All they had to do was come to the park to redeem them. It got the word out.

CHAIRMAN ROBINSON: Thank you. Yes sir.

MR. HINES: Chris Hines, Western Playland, El Paso. We've been doing something for 20 years that has been awfully successful. We open up the first weekend in March. Two weeks prior to that time we have a ticket sale. Our \$10.00 book goes on sale for \$8.50. In this book we also have six \$1.00 off coupons, for a pay-one-price, which we have during the summer. Or let's say, Friday, in March, April and May, and then Tuesday, Wednesday and Thursday, during the summertime, is our pay-one-price. And then Friday, up to the time that school starts. But it is a 50 ticket book. It has six \$1.00 off coupons for a pay-one-price, so you're hitting

pay-one-price people with that \$1.00 off coupon. And you're hitting the ticket people, who come down on Saturdays and Sundays when we don't have a pay-one-price.

We hit this very hard because we feel like the season is beginning to open up. You have got to get the people in the mood of thinking amusement parks. And so, what we do, we hit it very hard in newspaper, television, radio. We wait till we are open full-time to go to billboards. Last year I think we sold about 20,000, 25,000 books. And if it rains on opening day, what the heck, you've already got most of your advertising money in. If it's a pretty day, well, that just makes it that great. But we kill two birds with one stone. We advertise our opening coming up in two weeks, and at the same time, we're advertising this book sale. It's been very successful with us, and it might be something you all might consider.

MR. STRICKER: Bob Stricker, Bell's Amusement Park, Tulsa. We have a tremendous promotion we run for the entire month of June. It's a grade promotion. You bring a report card. We stamp it. We do television for that. That's our only television coverage. We handle two radio stations, one of which is an adult listening station.

But one of our key factors, we find, is the newspaper. In the entertainment section where the movie ads are, we put a picture ad in every day. And as people go through the paper, they come across the ad. They say, "Let's go out to Bell's tonight." I don't know what the price range is around the country, but in Tulsa, the movies are awfully expensive. And the theaters are not a very high quality.

So, a lot of people would rather take the kids out to the amusement park and have a good wholesome evening, rather than take them to a movie that may be a little shady. We're in a very religious area, but we don't have that many G-rated movies.

CHAIRMAN ROBINSON: On the grade program, you say you stamp the card and you let them ride free?

MR. STRICKER: They get two tickets for an A, one ticket for a B, one ticket for a C, with a maximum of twelve tickets. We take their top four grades, with the hope that mom and dad will ride. And maybe the kid that only gets two C's will buy some more tickets.

CHAIRMAN ROBINSON: I know the Cincinnati Reds have a program in the schools. You can go to a school in January, and there is a sign on the wall for a student night at the ballgame. And they give them free tickets to a ballgame. And the way I understand it is that that student does not come by himself. Somebody has to drive him to the ballgame, so I'm getting the money out of them whether it's a \$5.00, \$6.00, \$7.00 ticket. So, if it's a \$5.00 ticket, at least I'm getting \$2.50 out of both of them.

MR. HINES: I want to make one other point about this ticket sale. We don't sell them at the park. We discount them through the Sears stores. They sell them for us. And they are anxious to get traffic in their stores. The Popular Department Store, which is a large department chain in El Paso, sell our tickets. And they help us more or less with some of the advertising.

Also, we have a mail order, where they can mail order tickets.

And this is something else I thought of bringing up. How many of you in here use bank cards, Visa, Master Charge?

(Show of hands.)

MR. HINES: Well, it's about 2.5 to 3% of our business. It might be a little bit more paperwork, but I'll tell you right now, people are getting used to spending money. They run out of money, and they don't have any other means. I'd rather take a bank card than a check. At all our ticket booths, we have these Master Charge cards. If they write their bank charge number down, or their Visa number down, we'll charge the books to them, and then we send them through the mail.

MS. SPAS: This is the third time that discount coupons have come up this morning. At Darien Lake Fun Country, we do have some discount ticket programs and things like that. But we find sometimes that those things work against us, because we do a lot of group sales. We may offer a large labor union or a plant an opportunity to sell discount tickets or give them away or whatever it is that they do. And then three weeks later, we do it with a big super-market chain, and it seems like a better deal. Do any of you get tripped up with that kind of thing, where your discounting isn't always consistent?

CHAIRMAN ROBINSON: I know at Americana, we keep our discount coupon ticket higher than our group sale ticket.

MR. WOOD: Charley Wood, again. I'd like to mention that we've come up with a system where we don't basically discount our ticket around locally. But in our advertising, the Triple-A magazine, we offer 50¢ off per person with a Triple-A card, up to four people of any one family. So, it's a total of \$2.00 off.

We do this in camper magazines. We are doing it in more of our advertising, because we want to know whether this ad had paid off for us.

MR. MANSON: Charley Manson. I thought I'd just touch on it, if you're not aware of it. But I think anyone can tie in with Triple-A nationally. They star your attraction's name. They put a little asterisk with a star next to it. And if you signed a contract, and you're willing to give 25% off on your admission in rides, they'll do this for you.

We did not do it last year. We did it the prior year and a couple of years before that. And we had a lot of Triple-A people still showing up at our gates last year, wanting to show their membership card for that discount. We are doing it again this year. It's a successful promotion. As folks are travelling they go down the list of attractions in a particular area and if you have that star, it is a real incentive, perhaps, to get them to stop at your place.

With regards to discount coupons, I think like Charley, we keep our discount coupons, normally, priced above our group rates, at least our better group rates for the large groups. For example, say, it's \$3.50 net for a group of 2,000 or more, our discounts normally don't go below \$4.00 or \$4.50.

CHAIRMAN ROBINSON: To elaborate a little bit more on what Ed just said. We are in that national magazine as it comes out of Wash-

ington, D. C. But we also dealt with the State. The State puts out what they call Motor Travel Magazine. Each of the different county Triple-A's subscribe to that magazine. It is mailed to all of their members. Two or three pages in the book are printed and changed different times. We run a coupon inside. We were not the only one in it. Geauga Lake was in; Sea World was in; and I think Chippewa was in there, too. The issue that we were in ran in June. Working with our advertising people and our publicity people we were able to convince Motor Travel to do a cover story on the park. At the same time they printed the coupon free. There was no charge. But you did have to pay a little bit to get an ad in the book if you wanted one.

Well, we ran a full color cover and a full color inside ad in the same book. It cost us \$2,000.00, I believe, to run the ad. Well, when they printed the coupon, they made a mistake. They said that you had to have one coupon per person. It was supposed to have been one coupon per family. I got my magazine on a Monday in late April. And on Wednesday, the people who printed the magazine out of Columbus called, and they had been swamped with so many phone calls for magazines, because of the misprint. They asked us if we could please work it out for one per family, which is the way it was supposed to have been in the beginning. I did not catch the mistake. They didn't. The agency didn't. But we were averaging 30 to 40 coupons through the whole season from that magazine or from the national people coming in, showing their membership card.

Maybe your price is \$5.00. You discount it \$1.00. You are talking a little bit of money. So, we recaptured our money for the ad very quickly. It is something to look into.

Plus, the people with the State Triple-A work very closely with the travel and tourism bureau in your state. In Ohio unfortunately, they don't spend any money. But they do try to organize everybody and get some things done. And it is a good group of people to know. A person will come, whether it's a 200, 300 mile trip, it's worth it, and take some stuff with them to show what you've got. Invite them to your park. You don't have to bring them down and wine and dine them. Just invite them to come down and bring their family for a day. Let them in the park and let them look around.

The Triple-A is a very suspicious group of people. It is not easy to get in their national magazine. I think it took me almost three years to get in it. Because of our good reputation with the Triple-A at our park, we deal with about 6,000 Triple-A students, which is the safety patrol, we were able to get in. But it is not an easy thing. You can buy an ad in the book, but they won't give you a write-up. So, you've got to really go and talk to them and convince them that your attraction is worth talking about.

MR. COOPER: I wonder if I could possibly have just a show of hands of how many people do not have a jingle that has been produced in the last five years?

(Show of hands.)

MR. COOPER: One of the hardest things for a small facility is to convince their ad agency that a jingle really can help on radio, which is probably one of the lowest cost per thousand media around today.

We ran into a situation like this. A good jingle, today, working through a reputable sound company, will run up to and above \$2,500.00 for a series of cuts, a 30-second, or a 60. But I got a card in the mail one day that said, "We'll do a jingle for you on spec. If you do not like this, don't buy it." And I just couldn't pass it up. I filled it out, and about six weeks later, we get this tape in. We haven't paid them a thing for it. We don't owe anybody for it unless we keep it. But we would not have been able to talk them into outlaying that money for a jingle without hearing what it possibly could do for them.

If you are interested, that jingle company does work on speculation. If you like the sound of it, you buy it. If you don't like the sound, send it back to them. It's Appalachian Sound in Chillicothe, Ohio. If you do like the jingle, their pricing system is the same. It's anywhere between \$600.00 and \$800.00.

We've been very pleased with our jingle. Whatever you do, don't tell them I gave you their name. They may not be too happy with all these speculative things.

MR. ROSS: Ben Ross, National Recreation Service. I had a remark in regard to the jingle. Something occurred to us a number of years back. I had been involved in motion pictures a little bit. We realized finally that developing a jingle has a residual value because, number one, if you are able to have the advertising budget, incorporate the jingle into your television and radio, supplementally what happens is that when people see the TV commercial and hear the jingle, simultaneously, a latent image forms on the brain. So that when you run the radio spot, if the wife is in the kitchen washing dishes or whatever, and she hears the jingle that she has previously seen on television, this latent image reoccurs in the brain. It is like getting television from radio prices. It's something to think about, and it works.

MR. STREITMARTER: I am Jack Streitmatter with Drea Productions. We write jingles, and we do a lot in video tape. We were told, from last year's meetings, that one of the big problems is a jingle house. There was mention of general jingle spots for a lot of smaller parks. How many feel like they need a jingle yet, this year?

(Show of hands.)

MR. STREITMARTER: What I am interested in is finding out in general what people need. Because we're down here. This is going to come off as maybe a promo for us, but I think it can really help you. We're talking about general spots that you can get very cheaply. If there's enough people involved and we can create a need in your market for your individual park without getting too precise. By doing that, we just plug in the name, if the need is the same in many different parks. We don't have free specs, but what we do is put that spec money towards the total price of the package, so we make all that out beforehand.

CHAIRMAN ROBINSON: I would like to comment. Again, I'm not trying to sell Drea Productions. Ken wrote the jingle for Americana. We stumbled along with the cheap way. Unfortunately, ours wasn't the \$600.00 cheap way. It was like the \$3,000 cheap way.

We'd play it, but I didn't feel that people were really listening to it. The owner's son kept pounding the table saying,

"What good does it do if nobody like it or it doesn't attract their attention?" McDonald's has a very catchy jingle. Kids sing that jingle. They are singing the Americana jingle now, and just because of our advertising. That is important because of where we sit, 20 miles from Kings Island. Their budget is about \$2,500,000, and you can imagine what they can do to us. We're dealing with a \$150,000 budget. It is pretty tough to be able to compete. I think our jingle is better than theirs. Like the gentoleman said, when they hear the jingle on the radio, they relate it to what they have seen on the television. We also play the jingle in the park. We have what we call a Crazy Circus Show and that jingle is played beforehand. If we have a roving band, they play and sing the jingle.

Of course, all the instruments may not be in, but it gets the word across. If you attended the summer meeting you saw the group that came in, the German band. They sang the Inger Hauser Busch jingle before they got off the stage, because it makes people think of their park. If it is a poor jingle, why even have it? It is just like buying a ride that nobody is going to ride. It's useless to have. Yes, sir?

MR. MAYS: Don Mays. I have an amusement park in Columbus. A couple of comments. How many people here have a discount day, like a dime or 20¢ a ride?

(Show of hands.)

MR. MAYS: We had it last year, about two weeks before the Ohio State Fair. It was very successful for us.

The other comment I would like to make is about the International Trade Exchange. I don't know if anybody has been approached by your state chapter. What it is is a barter system where, for example, groups that are members of the Trade Exchange come to our park and they use paper money. We receive credit for that. In the winter time, when our cash flow is down, we trade back credits that we have accumulated for paint, plumbers, carpenters or anything we want. There is no cash involved. It is strictly a barter system. It is all on computer. It is an international association. Hotels are members of it. All types of businesses. It has worked out real well. We just went into it this year. You might keep it in mind. There are associations in every state. It's a national organization.

MR. BAILEY: I am Larry Bailey representing Eastman Park. I'd like to say something concerning jingles. I was in radio for a number of years. Regardless of what that jingle sounds like to you, if you play it over and over and over again, it'll soon catch on. That's a proven fact. With a jingle, it is very important to coordinate it with all your other campaigns.

We did some promotion this summer for the first time with a bag discount coupon. It was done with a grocery store chain. We also had a Minute Mart operation along with that. I would be very interested if anyone else had a grocery bag campaign that they did and how successful was it? What type of discounts did you use on that, if it was a pay-one-price, a \$1.00 off, or if you gave away tickets?

We gave away tickets, six ride tickets on each bag. If you take a family that comes home with five or six bags of groceries,

that's a lot of tickets. We did get a lot in return. I am interested if anyone did a grocery bag promotion, to find out whether or not the grocery store chain paid for printing the bags. And if they did, did they also include it in their regular advertising, the newspaper, print, radio and what have you?

In referring back to an earlier question on what kind of media mix for a small park, I think you can't go with any one individual medium, whether it's television, radio, outdoor, or whatever. It must be a good media mix, and it must be a very timely mix. TV is good at certain times of the year. As the summer progresses, of course, the viewing audience goes down, radio comes back up. Billboards are good and strong.

MS. SPAS: Since I referred to a grocery store promotion a few minutes ago, when I asked about discount tickets, I must say that if I ever tried to print tickets for anything on a bag, the accountants would go crazy at Darien Lake. We try to number all of our tickets and things like that, so I try to stay away from that kind of thing. Especially if it is going to be easily counterfeited or something like that.

We have a \$2.00 per person admission to Darien Lake and that gives you the use of the beach and the pool and the petting zoo and a lot of other things. Then we also have a water slide, skateboard park and a boat ride and things like that inside the park. With the grocery store chain, we had special tickets printed up which enabled you to get into the park with your family for \$5.00. You could load the car up and do your thing for only \$5.00 for your whole family. We found that it was very good, because ordinarily it is the housewife, the family shopper, who has time on her hands mid-week, which is what we are trying to do. She could come out with her kids and the neighbor's kids for \$5.00. Hopefully, when they got there, they couldn't pass by the skateboard park or the water slide or any of the other attractions that we had.

CHAIRMAN ROBINSON: I would like to say something about store promotions. We deal with Krogers which is the third largest supermarket chain in the nation and the largest in our area. To give you an idea on coupons, they have 100 stores. And it is a very good promotion. We've done it for several years. As a matter of fact, we have three markets tied up into it. Two of them at one time, and one of them happens at another time. They all will be repeated this year in hopes of picking up another market.

When they came in the store, if they wanted a coupon, they asked for it. It was good for one person. They got X-number of dollars off, if they bought a pay-one-price, which is what we're on. After this promotion, we got into one with a discount store, Zayre's. We changed and went from the coupon to the bag stub. It was more costly to print it, but the coupon at the bottom was for the family. And there was a box there that you could just put in any figure you wanted. If you wanted ten tickets, five tickets, six tickets or whatever. Those four stores contributed to the program promotion superbly.

A VOICE: I asked the Association if they ever looked into getting a jingle package together that all of us in different parts of the country could use and be non-conflicting. I considered that we couldn't afford to create what would be a terrific jingle package by ourselves. But maybe in participation with other people in the Association who do not compete with us at all from different parts

of the country could get together and get not only a jingle package now, but one that could be updated as the years went on and not just be static. So, I asked the Association and found out that about ten years ago, they looked into it. They tried, and it really didn't work out, because they were afraid that what one person liked, another person wouldn't like. Maybe it's time to look into it again to see if there are a group of us from different parts of the country that could combine our meager advertising bucks or a few hundred dollars each and come out with an industry-wide jingle package that would have little musical interludes where we could shove the names of our parks in. It seems that other industries have done this successfully.

Up until this time, what we have been using for our radio spots has been musical beds of different types of popular music. We have used it from one season to another for about three years. We used the musical bed to Palisades Park, backing up all of our radio material. For the last three years, we have been using the musical bed of the People Pleasers. We've used it on every single radio spot from season to season. Every radio station we do business with has that bed to voice over. It is not really a jingle because we consider it to be an identity with Whalom Park, because the only time they hear it on the radio now is when they hear it with our spots.

Still, we would like to see if it is possible for the members of the Association to pool their resources and see if we can get an industry-wide jingle package that we all might be able to use and be proud of.

CHAIRMAN ROBINSON: I understand that there are jingles available that are already produced that you can buy at a minimal cost. It is being used in another area, but as long as it's not being played in your area, you can play it.

A VOICE: I just wanted to ask if you had to get special rights, permission to use it?

MR. BOWEN: On the People Pleasers, I asked them.

MR. HAWKINS: I'm Ron Hawkins from Fun Factory out in Reno, Nevada. And I'm trying to conduct a survey which has to do with petting zoos, kiddie playgrounds and an arcade amusement area. What I need to know is how many of you have some sort of petting zoo with your attractions?

(Show of hands.)

MR. HAWKINS: How many have a kids playland of some sort?

(Show of hands.)

MR. HAWKINS: Do most of you have coin-op game rooms of some sort in your park?

(Show of hands.)

MR. HAWKINS: How many of you lease your games?

(Show of hands.)

MR. HAWKINS: Thank you very much.

MR. LEWIS: My name is John Lewis. I'm from Whalom Park in Fitchburg, also. At many times we thought about getting into the food business ourself. We've had a concessionaire in the park for many years. I would like to have some feedback from everyone in the room as to what is actually involved with dropping the concessionaire and taking over the food business yourself, and what kind of advice would you have for a medium to small-sized amusement park that is looking into this? What mistakes have you made that you could tell us to avoid on the road to taking over the food business at our park?

MR. CLARK: Bob Clark, Dorney Park. We did this back about six years ago. We had a national concession. The best thing that ever happened was we got rid of them. We made a heck of a lot of money. The only thing I can tell you is to find a good food manager in your area. There usually isn't too much involved with the hot dog and fast food businesses.

We didn't do anything special. We just took over the food ourselves. And we made one heck of a profit on it.

MS. SPAS: We at Darien Lake Fun Country handle our own food service. I think that the thing you really have to consider is what kind of food service you are running. If it is a hot dog, hamburger, quick service type of stand, it probably doesn't require a professional manager that you would have to hire year round for a lot of money.

We have a lot of picnic catering. We have a couple of restaurants plus fast food service. It does require hiring at least a couple of people year round. That may be quite high priced, and you do have to think about that before you take on your own food service.

CHAIRMAN ROBINSON: We have always had all the concessions as far as food went in the park. And I think we sell every kind of junk food you can begin to imagine. If you can get a half a buck for a nickle pickle, you must be doing pretty good.

But we had never really gotten into catering until about three years ago. Our food manager is very capable and also, our owner is a gourmet cook, so he added a lot to it also. But we really worked hard. Here we sell all these company picnics, and they'll haul in all this food through a caterer. We had to go back and haul the garbage and clean everything up, and that was a lot of bunk, 'cause they were taking the money out of our picnic grove.

We felt that if we would sell them that meal, we could make twice the profit than we are getting from them now just selling them rides. We took a long time getting into it. The first year we told them it was available. If they wanted to use it, fine; or they could use their own caterer. The second year we told them, "You can use our food or you can bring in a caterer, but for every meal that he feeds, it's going to cost you a quarter." The next year we told them, either they bought our food, or they could go someplace else for the picnic.

The truth is, I was scared to death of what they were going to say, because the easiest way to lose a picnic is through serving them food that does not taste good or give them poor service. They don't like to stand in line a long time. Today, I don't know what percentage of our picnics we feed. But to give you an idea,

we fed one picnic of 6,000 people this year. We fed a couple at 3,500, and a couple at 400.

It took us 30 minutes to feed 6,000 people. We had 26 lines. And there were four meats on that line. I got \$3.25 a plate. Now, look at the money I made. With the money that came back from food alone, we have already opened two new food places. Plus, we took the profit and built a restroom, which was needed in our picnic grove. We were able to expand our picnic grove, because of the food that we were selling. We sell picnics today because of our food business.

We have enough attractions and rides in the park to make them happy, but the food is our big thing. And the proper serving of that food is important also.

It is not an inexpensive operation. To give you an idea, we bought two electric carts, and built boxes on the back of them to haul our food in. And the carts, themselves, were like \$3,500-\$3,600, not counting the cabinets that we built and put on the back. We paid almost \$18,000 to Rubber Maid, which makes beautiful serving trays and storage boxes. You prepare the food and put it in the boxes, put it in your cooler, take it right out, and put it on the shelter houses.

Our food business is good but it's a hard job. Can you imagine frying chicken for 6,000 people? You figure each person eats one and a half pieces of chicken. That's a lot of chicken to be fried.

It takes not only the food manager. The salesman has to go out and work that picnic to see that it's fed right. You cater, the people that serve the meal are important. We don't use full-time help. We use the volunteer fire department, the high school band and every old lady we can gather in the neighborhood.

You get an employee in a uniform. After they push that button on their ride, they go slower and slower. These people only work two or three hours a day. We do not put them in uniform. They are an image across the table to the people, because they're happy, and they're only there for a couple of hours. You take the volunteer fire department that wants to earn money and you can get them at a nice rate. Really, it goes out as a contribution to that fire department. You write one check to the fire department and you solve your problem there.

On one meal this year, we had some 25 lines and 100 people serving. That is not counting myself, another top salesman with the company, the food manager and the owner being there, seeing that it was fed right and it was taken care of.

Also, clean-up is important. These people don't like the garbage left on their tables. They will to a certain point pick it up and take it to the garbage can. Now, you got extra people there; you got to pay them. So, they go and clean the tables up and stuff that is put in the cans. Then our "grove rats," or whatever you want to call them, are there to empty the garbage cans.

The food business is big money. Don't let any concessionaire tell you that he isn't making a buck.

MR. ROSS: Ben Ross, National Recreation Service. We operate for

four theme parks, two in North Carolina, one in Florida, and one in Pennsylvania.

We had an experience that you may be interested in. We had a national company that ran all of our food operations. And we had numerous problems. We could not get the employees to respond to management wishes. In a sense, the employees were sloppy; they were discourteous. The food quality was, should have been good, but it was poor. It wasn't so much the product they bought was bad; it was what they did with the product after they got it. And as a result, we had people coming up to our office, complaining constantly. In the State of North Carolina, the Health Department also grades the establishment. And, you know, we were lucky to get C-ratings. Sometimes we didn't pass and had to go back and do it over again.

We had a lot of problems. After about three years with the national company, our division decided to go in and take over the food operations. Our experience was that by the time we decided and terminated our arrangements with that company, it was already like April. I was asked at that time to run the food operations at our biggest attended park, Ghost Town in the Sky in Magic Valley.

I'll tell you that I could not cook a hamburger. My wife always did the cooking, so I didn't know anything about food. But I proceeded on a couple of premises. Number one, I assured myself that the establishments would be clean. So, we got in there immediately, and cleaned everything up. The walls were kind of a brown color, and we painted them white. Somebody said, "No good. Don't paint them white, the dirt will show." I said, "I want the dirt to show, because if the dirt is there, I want to remove it."

So, for the first time in history, we had seven food outlets, and seven A-ratings. We figured immediately, this is going to increase our success, because people coming and seeing a C-rating hanging on the wall are not going to be as inclined to purchase food there, as they are if we put an A-rating on the wall. We cleaned up the operation.

We also worked on cutting our food costs. And thirdly and most importantly, we worked very hard on getting the efficiency level increased because we had the long, slow lines. People would get in those lines and as the lines got long, people turned away. They said, "We'll wait till we get out of the park to eat."

We developed systems whereby we could move the people through the lines very rapidly. Our grosses went up. Our cost of sales went down. We grossed more money than the other company did. And the result was great. So, you know, in a nutshell, anyone who now has someone doing the food for them, who wishes to get into it themselves, I urge you to go ahead and take a stab at it. Because you'll find that you'll learn very, very quickly. And if you do a few basic, simple things, I think the results are going to be good.

Again, the most important things we accomplished: we were able to control the quality of the food; we were able to control the appearance of the help who served it. And as a result, our complaints went down, our profits went up, and everybody was very happy. And incidentally, we are still working at the same arrangement. Thank you.

MR. GARY: Gary from Pocono's Magic Valley. Our park was laid out, whereas we are in a valley and two and a half miles off the road. We have done a lot of buses this last season. This was my first year in the business. On Saturdays and Sundays I had as many as eight or ten buses waiting to get in. I laid out a format to get the buses in, and give the people their tickets. But I am still at a loss to know how to get the buses in faster and more organized. The one problem we do have is that we allow no food and no beverage to come into the park. Confirmation, I put this information out and confirm it on the phone. Is there anyone here who can share some ideas on how to get the buses in faster and keep the people from milling around the admission gates?

CHAIRMAN ROBINSON: The only thing I can say is that whenever we book a group that comes on a bus, everything has to be done in advance. Of course, we tell them to leave the students or whomever on the bus. The person in charge comes to the company guest relation's booth and picks up the tickets which we already have made out and packaged.

MR. MILLER: I can buy the fact of the old ladies and some of the organizations helping you cater. But what happens when you have a fire?

CHAIRMAN ROBINSON: Are you saying if the fire department has a fire? I've got the women's auxiliary. I don't want the fire department men. Sometimes I do get them, but we have the auxiliary. Even in our village when the men are working, and there's a fire, the women drive the fire trucks.

MR. BERRY: I'm Dick Berry from Hillcrest Park, southwest of Chicago in Lemont, Illinois. All of our foods are pre-purchased by the companies before they come to the park. So, in consequence, we serve thousands of this and thousands of that. We have served in one day as much as 30,000 drinks of pop, 24,000 hot dogs, 10,000 hamburgers, 18,000 bags of pop corn, et cetera, between 11:00 in the morning and 5:30 in the afternoon. So, we do go into the catering business quite extensively.

The only suggestion I can say is don't buy poor merchandise. I've had people say, "Gee, so much money for a hamburger." "Go ahead and eat it. If you don't like it, I'll give it to you." And they never have complained. We buy ground chuck 15% fat, pure beef. All of these suppliers come in with their soy bean hamburgers and everything else and give us a deal. We turn them all down. We buy the best that we can possibly get. We buy baby rounds of beef, and we serve sliced roast beef. We have our own formula that was formulated through experiments with several of the hot dog distributors. They make them for us. And people come up and say, "Where can we buy your hot dogs?" They can't. We have our own formula.

So, food is an important thing. If you serve it in top style, you must have a good product. One laughable thing is that we do get into companies that say, "Can you serve chicken?" We are not equipped to cook a full meal. We are equipped to use our common sense. We made a deal with Kentucky Fried and these boys can turn it out in the thousands. We've had as many as three or four thousand pieces of chicken delivered to us at a certain hour. It's all hot. We can give it to the customer, two pieces per person, passing it out so that everybody gets what they'd like. It happens to be a very choice piece of morsel at a luncheon. You can

combine it with hamburgers or hot dogs, bratwurst or what have you. A lot of companies are going that way. So, that's something to think of if you want to start in catering without worrying about doing all the grease frying. You can go to a good distributor.

MR. STRICKER: Bob Stricker, Bell's Amusement Park, Tulsa. This is more of a suggestion. We are a relatively small park with ten acres, but we're kind of in an S-shape. It's a very long, narrow park. We were having a lot of problem getting help to where we needed it. We invested in walkie-talkies. We spent about \$500.00 per unit. It sounds like a lot. It comes with a charger. And it's a pretty large unit. But all of our key personnel carry them. If there's an accident on a ride, if there is a customer relations problem, if there is an employee problem, you can get help right away. We found that we can get help where we need it right away.

We also had a very big problem with our employees meandering. So we now do all our clocking on and off by walkie-talkie. We have eliminated paying a lot of people for walking around doing nothing.

CHAIRMAN ROBINSON: Another question, please. We've got just a little bit of time left.

MR. BUTCHART: Doug Butchart with Thumb Fun Amusement Park. We're having a problem with the bumper car right now. I'd like to know if anybody has a compound that they can apply to a dry mop that will help pick up the dust? We happen to be in an unusually dusty area. We need to find something that will keep the floor clean and promote continuity. It is installed on a new steel belting, and we do get a little bit of condensation.

A VOICE: You can use graphite. Use the type that goes in the gallon cans of liquid graphite and it'll stay clear, but you've got to clean the floor first.

MR. BUTCHART: What do you clean the floor with?

A VOICE: You just wash it down with a good fire hose, squeegee it off real good, and put your liquid graphite on. That'll do it.

MR. WOOD: Before you all leave, I'd appreciate it if we could have a motion approving that this workshop be held another year, and we take this motion to the Board of Directors. All in favor, aye.

(The audience applauds.)

CHAIRMAN ROBINSON: Thank you very much. I'll make sure that the Board of Directors knows about this.

... The workshop was concluded at 10 a.m. ...

EMPLOYEE WAGES, INCENTIVES, BONUSES

FRIDAY, NOVEMBER 17, 1978

SALON E

The Employee Wages, Incentives, Bonuses Workshop convened at 8:45 a.m., David Girton, Santa Claus Land, Santa Claus, IN, presiding.

CHAIRMAN GIRTON: Ladies and gentlemen, I welcome you to this Friday morning breakfast session, beginning with seasonal employees wages, bonuses and/or incentives.

I trust everybody is raring and ready to go this morning. I know that back home in our facility at Santa Claus Land, we're always anxious and eager and enthusiastic when we can indoctrinate some new concepts or just plainly rejuvenate some old ones with a new twist. Hopefully, that's what we'll all do this morning.

Yesterday I was told that we would be referring, basically, to seasonal employees--referring to the special problems of the high school and college-age students. These kids are enthusiastic and they're ready to really put your place on the map or, indeed, they are ready to give you Excedrin headache number 472. They have the gusto and enthusiasm to go, but they do need direction, and they ask to be treated in an adult fashion with proper wages and decent incentives.

One of my responsibilities is service personnel director. These folks demand to be treated in an adult fashion, and it never ceases to amaze me just how they seem to respond to you when they are being treated in that adult fashion.

I had a young man come in recently and say, "Oh, I understand all about your wages and I understand about your incentive programs, but what are the ages of the girls in the office?" So, there's always that point of almost having to revert back to making sure that our employees are treated with tender loving care, so that they will not create an explosive situation which could blow up in our faces.

It's my privilege to introduce to you at this time our panel of participants. First of all, I'd like to introduce from Sea Breeze Park, Rochester, New York, Mr. Frank Cardell.

MR. CARDELL: Good morning. Sea Breeze Park is a small park on the shore of Lake Ontario and has 16 major rides and five kiddie rides. We attack the problem of keeping our summer employees happy from several different perspectives. We encourage personal interviews in a quiet place in the park and that's when we set priorities with the employees and the employees set their priorities with us. It's really a sharing session. At that time, though, we do take an opportunity to give the employees a sheet of guidelines and general rules containing a section which we label, "Five Easy Ways to Lose Your Job."

Last summer, we were really fortunate in terms of wage laws. Most of the years, we've been governed by New York State laws. The state laws, generally, do not give us exemption from minimum wage, so we were paying minimum wage straight across the board. Now, this past summer, New York State did not act on the law, which put us under the jurisdiction of federal law. Under federal law, we did withhold the exemption. We decided to take advantage of that situation by testing out the bonus incentive, which we heard so much about at the convention.

So, what we did, instead of paying the \$2.65, which is the minimum wage in New York, we paid a \$2.40 flat-rate. We offered a 25¢ an-hour bonus incentive plan for those who stayed until the end of the season. We did make a couple of exceptions with the college student, which many of our employees are. We decided to

alter that and grant these people a three-day grace period prior to the end of the season. With college students within the Rochester area, we didn't deem it necessary to offer the grace period, since there was no conflict with their college hours.

The results were amazing. We had a 15% increase in people staying through the end of the season over our previous season. It is really regretful that New York State has since acted on the minimum wage and it does not look like we will be able to continue this program, but we will be taking a look at that to see if there is any possible way.

Even more dramatic than the 15% increase is that fact that, at the end of the season when we're normally short and looking to hire a few more people to help us get through our season, we had a surplus of help. We actually had a few people we could not use that last weekend.

May I say, before I go on, that we do not differentiate pay for people who are returning.

Now, we also offer complimentary tickets and they're given once a week. We give them five tickets, and each ticket is worth a ride in the park. In general, they won't use them on a weekly basis. They'll save them up and have three or four real hay-days and really enjoy them.

We also have three parties each year after the park closes. We start out with food and drink and then we open up two or three rides and the management operates the rides. The people really seem to enjoy and look forward to the parties.

We also hold inter-departmental softball games. The ball-field is a good place for everyone to take out aggressions.

A real ego-booster for us at Sea Breeze has been our Christmas card program. It's something that we started a couple of years ago and we've enjoyed a great deal of success from it. Each year, we send personalized Christmas cards with a message inside to, for example, John Smith, who is going to Pottsdam College, asking him how things are going and inviting him back for the next season. The cards are only sent to people we would like to see come back.

Last summer, we decided to have a variation on that theme. One day before the season opened up, we got the ride staff together on the carousel and took a photograph, and we plan to take that photograph and have Christmas cards made from it. That would be a true memory that they will be able to hold. Hopefully, it will cost us only very little.

Probably our greatest incentive is what we call our open scheduling approach. As a small park, we have definite peak periods and times that are not peak times. And it's made very clear to our employees when they're hired that they can expect to work nearly every weekend, nearly every holiday and nearly every promotion day. So, we do have possibilities on those non-peak days, and what we do is when the paychecks are issued each week, we provide them with what we call a time-off request sheet. If they want to go to a concert on a Tuesday night that's not a peak time for us, they'll just write down that they'd like Tuesday night off and we find that, in most cases, it's not difficult for us to grant

the time off and yet it's an incentive. We've discussed this with them and they see it as unique because not too many employers would say to them, "How much would you like to work this week?"

Last of all - and I'm sure most of you also do - is we offer a food discount for our employees and we, also, have a fast-food service section away from the main counter. They just go around to the side, and there's a little area where they can get served right away without waiting. Thank you.

CHAIRMAN GIRTON: Now, from way up north--from the African Lion Safari and Game Farm, Ltd. in Rockton, Ontario, Canada, I give you Mr. Don Dailey.

MR. DAILEY: Good morning. I'll tell you a little bit about African Lion Safari. I'm sure most of you are familiar with the Lion Country parks here in the states. You're probably also familiar with the rather sad history in the last few years. They've not been very volatile. Most of them have changed hands, for one reason or another. We've enjoyed quite a bit of success since we started in 1969.

We have a very regular return on investment. We literally started our park with \$5,000 and an old yellow Buick and \$100,000 from a local bank. Why they loaned us the money, I'll never know. Thank God, they did. We've got about \$5,000,000, now, sitting on our acreage.

We're a family business. We are a 500 acre, drive-through wildlife park and recreational facility, which includes kiddie and adult rides, which are a concession to us. Last season we got our first ferris wheel, and it was very successful. We also rent a campground, and we're growing each year with a water safari, boat rides, and we have a scenic railway ride now, as well as the driving-through part. The families can go around on our rail system and view the animals.

We slid into the campground a little bit backwards. We had 50 to 60 acres we weren't using and these big recreational vehicles and campers were coming by and saying, "Where can I stay for the night?" We weren't really clever and we said, "There's a field up there. Go on and park in it." We didn't realize we were in the campground business until one Sunday morning when we got some panic calls from people who had walked down the road after a very wet Saturday night. They said, "You've got 50 trailers up there all stuck up to their axles in mud. Get your tractor out. You've got to pull them all out." That's when we realized we were in the campground business. We have a few roads, a few washrooms and now we're doing quite a few number of campground nights--camper nights every season, in July and August, mainly.

Our attendance is in excess of 600,000 people a year--paid attendance, and we're shooting for about 650,000 this year, but I don't think we'll make that. Our staff runs to 250 on the payroll. That includes the concessionaires, the pony-ride people, souvenir shops, food service, and so on. Fifty of those are full-time people. We're open year-round and we keep as many of our best people as we can attract during our high season--the season through the winter months.

Of course, during the winter when we're up there, we're open on a reduced basis--no rides and slides. There is the drive-through

part and food service and souvenirs. This will be our first winter to try some cross-country skiing. So, we'll keep a few of our people employed this winter. That's another aspect of our endeavors.

With that general background, I'll tell you a little bit about our industry in Canada. We have no association at all up there. All of us who are on the private side of the industry operate completely individually. We, sadly, rarely talk to each other. We don't have meetings like this where we can exchange views and get other ideas. We just stumble along on our own. That's not a very good comment, I realize, and, also, most of the places at which we compete for attention in the tourist dollar, traveler's dollar, and the entertainment dollar are publicly-funded places--museums, zoos, science centers--and these other places take a great deal of attention. They've got huge budgets for promotion provided by the government. Of course, if they don't break even by the end of the year, they run in saying they need another \$100,000 if they can't quite make it. We can't quite do that, so we have to watch everything we do very closely.

I'll be the first one to admit that when we were first starting, we paid the minimum wage and that was all. If they didn't like it, they left. We've managed to build up our park, I'd say, in part that way. What we have done, over the last few years, though, is try to take a more mature approach. We try to pay people what they're worth, as best we can, as well as encourage people to stay, which we didn't before. We had to trade off the constant re-training against the increased wages. Now, everything goes from one extreme to the other, I realize. We have now gone around to trying to pay people one heck of a lot better than we were three years ago.

We're provincially controlled in Ontario, and our minimum for students under 18 years of age is \$2.15. You don't get out of that. We have no exemptions at all, to my knowledge, in any part of any industry in the province.

What we can do, though, is we can hire 14 and 15 year-olds, with parental permission, and they can pick up garbage with the best of them. As a matter of fact, we've found 14 and 15 year-olds are an awful lot keener to get a job. A job means a lot more for them. We're in a high employment area, and we find that 16, 17, and 18 year-olds can find--if they're any good at all--relatively better paying jobs, if they want to work in the factories in the larger cities and centers around us.

So, we have the \$2.15-an-hour people at 14 and 15. When they hit 16, we've got a problem if we want to keep them. Sometimes we'll find that we've got two summers already invested in these people for training and we want to encourage them. Therefore, we've got to pay the minimum wage--a salary better than the minimum wage. Minimum wage - once they hit 18 - is presently \$2.65 an hour. It's going up to \$3.00 on the first of January. The only exception to that is the people in the industries where they get tips, such as people serving beer in our beer gardens. You have a liquor license and you have to pay them at \$2.55--and that is not moving next year. I think the government has realized that these people get an awful lot more, which probably not too many of them declare--not in full, in any event. Where they are in a position where they can accept tips, that'll stay at \$2.55.

A couple of years ago, the government came up with a way of rewarding the people who work on the statutory or public holidays, such as Labor Day, which is a common holiday between the states and Canada. What they said was anybody who worked that day gets another paid day off or gets two-and-a-half times his wage. This means that if I have a 14 year-old at \$2.15 an hour pumping gas or picking up garbage or serving picnic tables, he's costing me well over \$5 an hour for that day alone. So this turns, effectively, about six or seven days a year into non-profit days--days which we couldn't possibly close to counter that.

When students go back to school or full-time people leave and we don't retain them for weekend work, we have to submit to these people 4% vacation pay. That's the regulation in Ontario. They get all their wages, also, if they leave for college. We have to submit them as part of their vacation, even if they are students --4%, again, on top of their wages.

That is one of the reasons we haven't gone into the hour-incentive program for staying through the season, but other parks have done it.

We tried a really crappy system about three years ago. We said, "Okay. We're paying minimum wage and we're getting minimum performance. We're going to pay you a \$20 bonus every month for doing your job." That's in retrospect--what it turned out to be. We said, "Okay. If you're late one day, we'll take a dollar off your \$20. If you bang your car into the fence, or something, we'll take \$10 off." The managers were supposed to report it. Again, we had a situation where we had about five-score students working for us. So, the managers would delegate it to the supervisors and crew foremen and that was the most terrible system you could ever imagine.

One good thing about it was that we started it really early in the season and there was a lot of feedback. I was spending so much time with people because of my general manager open-door policy. They came in there to complain about their \$1 they lost for this and I'd wind up arguing about the time-clock--it was just terrible. Before July came along--July 1st is a long weekend for us--the first weekend of the summer season, I said, "Oh, to hell with it. Everybody gets their \$20 and we'll start a better system next year." And we just dropped it. It didn't work.

If we've had a very good weekend and we're having a very good month and we've had somebody who's really doing an outstanding job for a month--maybe it's because we're a private business and it is illegal, but we'll slip them a \$50 bill or even a \$100 bill if they are doing an exceptional job. And it's cash under the table and they don't pay tax on it and it normally comes out of the overages we collected with the jars and booths, anyway. So, we don't account for it. That's not a very good way of doing it, we realize, but that's what we have done.

Let's say the food service department breaks all records in their area for a time--an accounting period over a long weekend or a normal weekend--they might give \$5 to their people. The best way, of course, is to put it on the paycheck, but you do lose a little bit. It's two weeks to wait before the pay arrives.

My general feeling on bonuses is that it is fast-forgotten, somehow - especially if you're giving them on a rather broad-sweep-

ing basis, like \$5 for everybody on a record-breaking day or whatever. That's fast done and fast-forgotten. And I think we're going to have to lean on other ways of getting the message across. They appreciate it at the time, but it doesn't seem to have any lasting effects.

We have free passes, subsidized food. We also try and give a lot of parties. We've found them real morale boosters for the students who come with the string of some of the season people--not only students, but all of our seasonal people, I should say. Also, we have permanent people there. We might have a corn boil. We'll bring in disco bands in the cafeteria. We would have games. Inter-departmental games with decent prizes are very well-received. Every year for the last five years, we've had a Safari Queen contest, and we've chosen "Miss Personality of the Season" about halfway through. We make it a really good thing. We bring in a band that's worth a good number of hundreds of dollars. It's a recognized, name-band from the area. We supply all the food - buffet-style and give them dancing all evening long--with prizes, and we give away a lot of lottery tickets to the people. We might subsidize them to our Canadian lottery tickets with \$10. Everybody likes those.

The last thing we do is a staff night for the senior people. We take them out to my father's home with the swimming pool and give them, again, a catered evening. They'll be able to swim. All the booze is provided. We have a problem with the booze because we've got such a range of people. A lot of people wouldn't turn up for a staff party if there wasn't booze. Again, we get into a problem with the under-18's. They get into the booze, too. So, there's a control problem there. And at this other party at the Colonel's--the president's place--we restrict it, as best we can, to the most responsible of the younger people who are the foremen and the supervisors and the managers--and there's booze there as well.

At Christmastime we give all of our people a turkey to take away with them and, also, to all the senior management people. We have one tv station in our area, and if we buy so many spots from them, the kickback to the company is to let us have tickets to a trip to the Caribbean, worth about \$500 or \$600. This last year, we had five tickets and we took our senior management people and we said, "Okay. For you and your wife - here's two tickets to go down this year to Antigua." That's at no cost to the individual.

We don't keep them in the family, even though it's a family business. We prefer to pass them out to our senior management people. Similarly, we have a promotion every year between the large radio stations in the Hamilton area. We get about 12 or 15 season tickets to the Hamilton Tiger-Cat Football Club in the Canadian Football League and then we give those tickets out, as well, to our staff.

Our other seasonal people's wages would range anywhere from \$3 to \$4 and I would say that the average would sit at about \$3.25 to \$3.50, and this would be for a 16 to 18 year-old person, who is a student who may have been with us three or four years.

CHAIRMAN GIRTON: Now we're going to hear from the south. I give you Mr. Alan Hughes from Trader's Village, Incorporated, in Grand Prairie, Texas.

MR. HUGHES: Thank you, Dan. Trader's Village is an 80-acre com-

plex in the Dallas-Fort Worth area. It's located halfway between Dallas and Fort Worth. We're a neighbor to Six Flags and Arlington Stadium. Our complex is made up of four different facets.

Number one, we have a 4,000-seat rodeo arena. We have the largest recreational vehicle park in the Dallas-Fort Worth area. We also are in the special events and promotions business. We're not an amusement park, but we're classified as an attraction in the state of Texas. We have almost the same classification of jobs as you would find in any amusement park.

We are different in the respect that we are open year-round - but just on weekends. The weekdays we are open are a Friday, a Monday, or a holiday falling in conjunction with a weekend, so we get either a three or four-day run, sometimes.

Being open only on weekends, we find our run does cause some problems that you do not find in a seasonal operation. Our average part-time labor force numbers in the mid-80's and six or seven times a year, when we have promotions, it runs well over 200 people. Most of our employees are high-school age people and we do have a sprinkling of moon-lighters and senior citizens. Since we are open all year, we do not enjoy the privilege of minimum wage exemption, as the seasonal operation does in Texas. Even if we did have the exemption, we would probably meet or go above what the current minimum wage is at the time.

Whenever we hire folks, with a weekend operation, we can offer only a minimum number of hours or a limited number of hours. We have to make it worth their while to give up their weekends, consistently, weekend after weekend. In an area that is as rich as ours in part-time employee opportunities, it's not only difficult to keep our personnel, but it's very difficult to get them, on occasion. The weekly income in the City of Arlington - our sister city - is probably one of the highest and I know it's one of the highest in the State of Texas. It may be in the nation. This doesn't really come on to you until you're driving around during the school session and you look in the parking lots at the high school and it looks like a breeding ground for TransAms and Monte Carlos. You know, these people have money. They don't have to work if they don't want to. And the majority of them don't want to.

To give you some idea of what the problems are there--I got started in this business a long time ago at Six Flags Over Texas and, at that time, whenever they started taking applications for the new season, if you were someone new going in to apply, you could count on standing in line for eight to ten hours, and they would do it consistently. This year, Six Flags had such a problem that--I don't know if they're still doing it or not--but as of about three or four weeks ago, they were giving a \$50 bounty to employees who would bring in an individual who would work at least --I think it was three weekends. That would be six days. We've done that before. We'd give them \$2 and we really thought we were doing something. He said, "Two bucks? That's nothing. Six Flags is giving \$50." You can see some of the problems that we're beginning to run into.

In addition to Six Flags, we also have Arlington Stadium which is the home of the Texas Rangers. They employ, in their operation, probably around 1,200 people during the baseball season. We hire almost all new employees at minimum wage. We're very quick to give

raises to those people who come in and do a good job and produce for us. By the way, our minimum wage, right now, is \$2.65 an hour. We have a number of part-time employees who make up to \$5.50 an hour. Now, that's not too shabby for a part-time job.

One benefit that our part-time employees have - and we feel that it helps morale and makes us look like good guys - is free food. We've had discounts before, but our feelings are that--particularly in food service--they're going to take what they want anyway. We give free food to anyone who is on duty - with the exception of beer - anything he or she wants to eat or drink, as long as they sign for it. At all of our food locations, there is a sign-out sheet, and you can have as much as you want, anytime you want it during the day, as long as you're on the clock. That helps us keep up with the inventory and see where some of the shrinkages might be going.

Policing the system is not nearly as hard as we thought it might be when we first started. We had thought that the first thing that was going to happen was that some guy was going to bring all his friends up there and feed them lunch and what-have-you. We've had a little bit of it, but not too much. Most of the time, the other employees are the first ones to blow the whistle, because they realize it's a good deal, and they don't want to jeopardize the situation by someone taking advantage of it.

This is something that helps during the summer season with our turnover. At our r.v. park, we do have a swimming pool and we allow our part-time employees swimming privileges there at anytime when the pool is open under regular operating hours. They are also entitled to bring one guest with them who is not an employee of the park. This summer, on two different occasions, we had parties there after hours, after two of our promotions.

Normally, the rodeo arena area is the only area where we would charge a fee to come in. The only fee that we have is a dollar for parking. Anytime we have something there, we try to give some discount or other consideration to employees and to members of their immediate family.

We have not had all that many incentive-type deals with our regular part-time personnel. We just finished four weeks ago an Oktoberfest celebration and we, for the first time, tried using service clubs and special interest groups. They were responsible for one certain area. Food service, in particular, is where we used them. We paid them a percentage of the gross they did as a fund-raising project for their particular group, and it was very successful.

We really have no bonus for them other than at Christmas. We do the turkey and ham and box of steaks--that kind of thing for all permanent employees. We also select certain of our part-time people we felt had done an outstanding job. It means a lot to them to know that they've been singled out from among the rest of the troops for doing a good job. They're a hero at home when they bring home the Christmas turkey or whatever. It works pretty well for us.

All of you have people who have been getting bonuses and you don't know it. We have had those on occasions. I think, probably, our situation might be a little different from yours, or unique - with some of the bonuses that take place.

Just last year, we had a young man who was operating the merry-go-round for us. We were closing on Sunday evening when a man came up to me and said, "I'm missing my goat." Normally, we don't get that much livestock in our place and if we do, it's really small. We get a turkey, some parrots, and puppies--that type of thing. It's kind of an oddity when you get something as large as a goat. And I had seen this goat tied to a tree by the merry-go-round earlier in the day.

I said, "Well, do you have any idea what happened to your goat?" He said, "No. I tied it there." The fellow bought it for his son and said it was a 4-H project. He was going to raise this goat. The guy didn't have a place to keep it. He was an operator. He was a dealer in the flea market. He tied it over in the shade of this tree by the merry-go-round.

So, I got on the radio and told all of our security personnel to put out an alert for a stolen goat.

Also, on occasion, we have had one or two or however many police officers who work in conjunction with our security personnel, so we were definitely searching.

We finally got a call from the parking lot that they had found the stolen goat. So, we go out and this lady starts telling me this story that someone had sold her the goat for \$10. I wasn't believing that too much. And she goes on and says, "Yes, this young man in the yellow shirt down by the merry-go-round sold it to me." By this time--I know this young man. He's worked for me for almost a year. I'm just not believing that at all.

About that time, a police officer comes up and I'm really ready to get on this lady's case because I thought she was lying. He pulls me to one side and says, "Listen. I know these people. I've known them for 15 years. If she says someone sold her the goat, I tend to believe her."

We went through the story again and this time it's not one young man, but two young men in the yellow shirts and they had "Trader's Village" passes on their shirts. Now, I know she's not lying.

So, we go back in. The young man had punched out. He was working the merry-go-round and so I called him at home and I asked him, "What about the goat?" He gives me the whole story--that the goat had been standing in the shade all day. This lady came up and said that it looked like a nice goat. He said, "Well, it's mine. I'll take \$10 for it." So, she gave him \$10 and the lady takes off with the goat. The end result was the guy got his goat back, the lady got her \$10 back and the kid got fired.

But with the way our operation is set up, we tend to have more of those kind of things than most of you would have in an amusement park.

One of the employee benefits wasn't anything that we necessarily planned--it just sort of happened. South Grand Prairie High School probably supplies us with more people than any other high school in the area. We don't have a nice lake where, when there's a full moon, you can go out and park by it with your date, but we do have a pretty large parking lot. With South Grand Prairie being relatively close to our facility, one of the benefits

considered to be most important by those employees is the fact that they can come and go parking on our parking lot. It's very well-protected. It's fenced. We have a security officer who comes by and checks on them to see that they're not doing anything that they shouldn't really be doing. As long as they clean up the beer cans and anything else on the parking lot, that's fine--we'll continue to let them do that. But some of them think that's one of the most important benefits that they have working for us. |

As in the case with the animal park, we, by and large, try to pay people what we think they're worth. We try to use our existing facilities as much as possible and not have out-of-pocket expense too much.

Let me leave you with one thing. As far as our security personnel, we seem to be very successful with this idea. I have a man who has worked for me part-time going on eight years, now. He's a coach. That's the best situation that I can imagine. I have a built-in farm club. This man works for me. If I need a crew of people, he sends me good people. He sends me somebody that's a dead-head and I tell him about it and he works his fanny off at practice. It's a continuing thing. For two years in a row, I've had our entire rodeo arena painted by the Lamar High School Football team. But it's one way of getting a large force of good people. I particularly like to work these young men, because I've been known to get somewhat violent on occasions and not use the best language in the world, and they understand that. They're used to it, a lot of the time.

I would recommend that if you have an opportunity to cultivate a coach - either a male or a female coach - they can supply you with a lot of labor on a short notice. Thank you.

CHAIRMAN GIRTON: There are four categories here on the handouts for small facilities on up to over a million. You will find that there were 25% of these returned out of the 378 that we sent out. I think that some of the details here will give you an idea of where you stand in the business, as far as your particular wage scale.

I'd like to open the floor at this time for general discussion and general comments for the good of the order. Yes, sir. Question from the crowd. If you would, please, state your name and where you're from.

MR. SPATT: Maurice Spatt from Luna Park in Sydney, Australia. I'd like to give you some facts and figures on what we've got in Australia. I hope you've all finished breakfast, otherwise, you might have indigestion. Just to give you some background on our park. First, in Sydney, there's only one amusement park. We're the largest and we've got five-and-a-half acres. We're getting one million people through the gate. We're open weekends for 12 weeks of school holidays, which is seven days a week and public holidays. We've got 23 rides, 9 food bars, 10 games, 2 shops, 2 arcades and a picnic area--five-and-a-half acres.

We're charging - in your money - \$2.92, which includes up to ten rides. That's \$2.50 in Australian money. Our wages-- and I hope you're all sitting down--are \$4.42 an hour for a Friday and a Saturday. That's the lowest range, \$5.01 for the highest pay. On a Sunday, it's two times--we pay \$8.49 an hour to the lowest pay and \$9.63 to the highest. Then, on a public holiday, we pay \$10.79 an hour and \$11.94 to the highest. So, I think they should

have a topic at the convention, "You Don't Know How Lucky You Are."

The only thing is, that our figures are right in line with all of your figures--all the bigger parks, for sure.

CHAIRMAN GIRTON: That's really fantastic. I was talking to these folks yesterday and I asked them if they would, please, tell us about it. It makes us feel good back here. I have to admit, I'm ready to come over anytime that you have any kind of opening at all for any kind of any reason at all.

A VOICE: Are those minimum wages?

MR. SPATT: Absolutely minimum wages. The unions, which are very strong in Australia, have currently had a claim against us for an increase on these rates for 25% for 2-1/2 hours, which we have resisted violently and had strikes over and have closed the park down and been in court several times.

So, we're fighting it hard. If I could just give you a few other facts and figures. First, we work on a four-hour minimum. We have an award, as I said, which covers rules and regulations between the employer and the employees. That's the four-hour minimum. If I work the staff over the four-hour minimum, I've got to pay them time and-a-half for the first two hours, and double-time thereafter. We have a crazy situation. On Saturday afternoon, we're open from 2:00 'til 6:00. We clear out 3,000--4,000--6,000 people and then reopen again at 7:30 that night, because if I work them from 6:00 to 7:30, I've got to pay them time and-a-half for the first two hours and double-time thereafter, plus the meal allowance. So, it's much better for us to close and clear out the public, even though they're spending money.

The other aspect is that at least 90% of these people that are earning these wages all have second jobs or they all have regular Monday-to-Friday jobs where they are earning their money, plus holiday pay. This 25% that the union wants consists of 8-1/2% for holiday pay.

One of the gentlemen before mentioned you were paying 4%. That 8-1/2% is worked out on the basis of four weeks annual holiday. That's a percentage that is 1/12 or 8-1/2%. These wages affect all of the leisure industry - the cinemas, the hotels are even higher. If you work in the liquor industry--in the restaurants, then that's a different situation. The hotels are refusing to pay such high rates. There are good restaurants in Australia that are closing on Saturday night that would be packed out--to make a profit, irrespective of the fact that they had to pay penalty rates of triple-time. They refuse on principle.

Another interesting factor--the union sent their head chap to Harvard to take a course in the M.B.A. that was called "Union Management," and he came back and said that America was 10 to 15 years behind Australia in wages.

CHAIRMAN GIRTON: Thank the Lord for small miracles.

MR. SPATT: A couple of other few things--the system is so entrenched in Australia with the British system and the legal world that precedents are set by the judges and commissions and--all these ludicrous standards that we have to wade through. We've been trying for 2-1/2 years to get it reduced to a 40-hour week

for over seven days, which I believe is similar to what you have here. And one commissioner who is considered quite learned in this area gave a decision where, in effect, we would have had a 40% pay increase in one fell swoop across the board. That would have destroyed McDonald's in Australia. It would have meant, virtually, that we would have had to sell the real estate and get out.

To give you the other side of the coin, Woolworth's, which is a chain of stores that you have here, was also affected by the decision of the judge. It was going to cost them 1.5 million dollars extra a week in one state, and they weren't even going to fight it. They were just going to accept it as a decision and just pass it along to the consumer over a thousand-plus items. So, that was the attitude with which they treated that sort of decision.

CHAIRMAN GIRTON: Do you have trouble getting employees? Do you have any problem with that? I mean, with such a high rate--but where does it stand with everything else?

MR. SPATT: Well, up to about a year ago, we didn't have any problems, but in the past 12 months, we've been finding it's hard to find good, responsible people--you know, who've got the right attitude for the job. That's been difficult. Where we used to have a waiting list, now we have to get a lot of applications at the time we employ for peak periods.

CHAIRMAN GIRTON: They find employment elsewhere?

MR. SPATT: Yes, it's higher if you work as a casual--which these people are. In a bar, if you work serving alcohol, you're earning higher rates than this. Also, if you want to, you can go to government offices and say you can't find work and get about \$60 - U.S. - a week and go and sit on the beach.

A VOICE: I believe you're doing an outstanding job with a \$2.90 gate and making profits comparable to what we're making over here in the parks in this country. I think that's just fantastic. I'd be more interested in how you're doing it.

CHAIRMAN GIRTON: You're doing something right inside the park--you must be making fantastic money--you know, making trips abroad and these types of things?

MR. SPATT: There's only one park in Sydney for 3,000,000 people.

What I wanted to take back was what was the nucleus of the American situation? I understand that there is a \$2.65 minimum wage. There's no overtime. What I'd like you to explain to me is what the general conditions are in the amusement parks here, if you can get it down to a state-to-state basis--the hourly rates, the overtime conditions, minimum number of hours they would have to work and how you work people over those non-peak periods? I have heard some parks can work people for 60 hours--80 hours--depending on what sort of peaks that they have. In Australia, you staff them and for a minimum of four hours--even if the park is empty, which it is not--

MR. TJADEN: My question is a little bit similar. Rod Tjaden is the name, from North Dakota. My question is to those of you here - by raising of hands - how many of you are using the Association's exemption and actually paying less than the federal minimum wage? Would you just raise your hand, please?

(Show of hands.)

And the second part of the question--in your park or in your operation, do you have an entity--I know the attraction policy is exempted, but how about the food service or the souvenir shop or the guest shop or something that is not specifically an attraction? Do you pay those people less than the federal or do you pay those people the federal minimum wage? Yes? Raise your hand if you pay them an exempted rate.

(Show of hands.)

And no--if you do pay them the federal minimum wage.

(Show of hands.)

I'm having a hassle on that subject right now, and I was interested in your answers. Thank you.

CHAIRMAN GIRTON: Yes, sir?

MR. PRATHER: Dick Prather from Indiana. We paid federal minimum wage for five years. Last December, when the wage was going up each year for the next three, I caught myself talking to the wall. I said that I had to do something about it, so I put in a little plug for the Association and for Al McDermott. I contacted Al and asked if he would issue an opinion as to whether or not we would qualify for the exemption. About the middle of January, I got my letter from the Department of Labor. They were coming in to talk to me.

So, as I was holding the letter in one hand, I picked up the phone and said, "Al, where's my opinion?" He said, "We have it done. We'll be mailing it out tomorrow. And I can tell you what the answer is. We think you're exempt." So, I did receive a six-page opinion that cost me \$300, which was the cheapest thing I've ever bought.

The young man from the Department of Labor came and said, "I'm here to talk to you about your minimum wage. Obviously, you are covered." I said, "What do you mean, 'obviously'?" And he said something to the effect that our place was big enough, et cetera, et cetera. I said, "Well, I happen to have a six-page opinion that says that we are, possibly, exempt from this law." So, he looked at it and read through it and said, "Really, I'm not very well-acquainted with this exemption," which is 13-3A--whatever it is, and he said, "I'll take this back to the office." I said, "Fine." So, he did and it was two-and-a-half or three weeks later before I got a call. He called me on the phone and said, "We tend to agree with Mr. McDermott's opinion. Thank you very much. Goodbye."

So, I think you'll find you can have some luck with the wage-and-hour people if you're not in a big park area. They really know nothing about that exemption, and we paid it for five years because our restaurant did such a high degree of our business, that we assumed on our own - with a little help from a c.p.a. - that we would not be exempt because of that. According to Mr. McDermott's opinion, if it is an integral part of your park, it has no relationship as to whether it's food or anything else. It's a part of your total attraction.

So, if anyone is in that same boat, give Al a call. He's sure helped us. Thank you.

CHAIRMAN GIRTON: Thank you. Yes, sir?

MR. WOLF: My name is Grant Wolf, from Sea Breeze. In response to the man's questions from Australia, I want to address them to him again. I think, first, you must be aware of the fact that federal minimum wage has recently changed 1 January ago to \$2.90, I believe it is, alone in one year, and on 1 January, it will go to \$3.30, and that's it for the current law. This does not say that it isn't going to be changed.

There are so many wages--as various states pay to their minimum wage--to the federal law and some states do not. We were lucky in New York State just this past year. They didn't get the law passed through the state senate. Minimum wage here, also, does not reflect the fact that they have to make contributions. In Australia do you have to make Social Security contributions--equivalents of things like this? That's on top of it, right? We also have another 20%--we have to figure our wages about 33, I think--one-third more between benefits and things of this nature and our part of withholding tax.

We don't have that many unions in Rochester, so we're very lucky. Kodak is a maternal image that hates unions. They give the employees everything from bowling alleys to swimming pools. Some areas, like Pennsylvania, I understand, have a heavy union concentration, but it hasn't affected the seasonal employees. Each state is different in that aspect. I'd welcome anybody else to come up and talk from other states.

Overall, the federal law states a 40-hour work-week, over a five-day period, if you work eight hours. Anytime you go over eight hours in any single day, it's time-and-a-half. If you work a holiday, in some states, it's double-time. Usually, it's just straight time-and-a-half. For public holidays and things like that, most unions have things where they get double-time and triple-time for various holidays, but it's not a federal minimum wage--your state minimum wage qualifications. You have restrictions, though, on the age of employees who can work. In New York State, you must be 18 to run any mechanical device, unless it's an on-and-off switch. We also can't work 15 and younger people past 7:00 in the evening, regardless of whether it's a school day or a summer holiday or anything. So, we get in trouble there.

CHAIRMAN GIRTON: Did that answer your complete question or are there any other areas that need to be cleared up?

MR. SPATT: Was Sunday time-and-a-half, irrespective--

CHAIRMAN GIRTON: No, just 40 hours total. That's the 40-hour part. If you go beyond it, it doesn't matter when you reach it. Any hour beyond an 8-hour day, you pay time-and-a-half and any hour you work beyond a 40-hour week, you pay time-and-a-half.

Any other questions or comments, please, either to this or a new subject?

A VOICE: I really came back this morning just to see if David had changed his act any. I'm interested in profit-sharing programs. As I mentioned in my presentation yesterday, we have what I consi-

der a very good one. It has proved to be a very effective incentive program for our very small work force--maximum 20 people.

We are a small attraction in a destination resort area. We would qualify for the minimum wage exemption in that we do about 75% of our volume in a five-month season, but we are open year-round. In order to compete with Hershey and some of the big-ticket attractions that are taking off the cream of the labor market now in competition with us, we felt very strongly that we should pay the minimum wage, plus profit-sharing. It's very successful for us.

Our profit-sharing plan is, basically, a company-contributory plan. The employee does have the option to contribute to it, if he wishes, but so far, nobody has exercised that option. It's based, presently, on 15% of the annual earnings of the end-of-year, going into an irrevocable trust. An employee gets vested interest at the end of the third year of participation at 30%. The vested interest goes up 10% each year until at the end of ten years of participation, the money in my account will be all mine. And, if I should leave the company, I have the option to withdraw it or leave it until age 65, when it will become a retirement program. It's not a tax shelter program, because when I start drawing the benefits from this profit-sharing program, I'll pay taxes, but at an age that will be very advantageous to me and the 15 other employees that have participated in it.

Does anybody else have a profit-sharing plan? I recommend it to you.

CHAIRMAN GIRTON: I believe that what you're saying is the same as a money-purchase plan--what is commonly referred to as a money-purchase plan?

A VOICE: Perhaps I'm not familiar with it. What's your definition of a money-purchase?

CHAIRMAN GIRTON: It's a percentile--whatever--after meeting certain requirements, it would set a certain percentage which is matched by the company and then you put in after that, on top--

A VOICE: This is a simple company-contribution plan, but with the unique option that the employee has--I can put in anything up to 15% of my annual earnings in the plan, if I choose to do so. I don't have to put a dime in it. The company makes all the contributions that go into my account. I get an annual financial statement from the trust.

CHAIRMAN GIRTON: Any other comments or questions, please? Okay, then. Thank you very much, ladies and gentlemen for your participation this morning. I hope that everybody has an excellent day here.

... The workshop was concluded at 10 a.m. ...

GOVERNMENT RELATIONS

FRIDAY, NOVEMBER 17, 1978

SALON C

The Government Relations Workshop convened at 8:45 a.m., Joe

Malec, Jr., Peony Park, Omaha, NE, presiding.

CHAIRMAN MALEC: Welcome to the Government Relations Workshop this morning. This is our second session, and we're fortunate this morning in having a representative of the President with us, Mr. Hugh Carter, who I will introduce in just a minute.

This morning will be a two part session. Mr. Carter will address us first, and then at the conclusion of his presentation we will get into the regular workshop with Al McDermott. Hugh A. Carter, Jr. was named special assistant to the President for administration in January of 1977. His responsibilities include White House administration, managing the White House management office, acting as liaison for the President and his family, and other projects assigned by the President. Mr. Carter's a native of Georgia, holds a bachelor's degree in industrial engineering from Georgia Tech and a master's degree in business administration from the Wharton School at the University of Pennsylvania. Ladies and gentlemen, Mr. Hugh Carter, who will discuss the President's anti-inflation program.

MR. CARTER: Thank you, Joe. I'd like to say it's good to be here in Atlanta. I moved to Washington from Atlanta after having grown up in a little town in southwest Georgia called Plains. I have looked forward for a number of weeks to being with you. I was just telling Joe, I guess I never really thought about it too much, but the International Association of Amusement Parks and Attractions is a much bigger industry than I think a lot of people realize, and it seems like the amusement parks and other associated industries are really on the, I guess, upswing, on a growth cycle now.

I do want to talk to you a little bit about inflation, and then when we finish, if any of you have any questions about inflation or anything else that's going on in Washington, I'll be glad to try to answer them. I'll be the first to admit I'm not an expert in every single area, but I know a little bit about a number of things, and a lot about a few things, and nothing about some other things.

I want to be plain and frank about inflation today. It's a tough problem, and I'd like to ask you to all listen very closely because I want to tell you a little bit about where inflation came from, the problems it's caused and what the Carter administration is proposing to do about it. But in essence the government can't do anything about it without the full cooperation of every person in this country. It's obvious that so far no one has volunteered to help stop inflation. Unions don't want workers to lose ground financially. Businesses don't want to lose profits. Politicians don't want to cut out spending programs. Nobody wants to lose his place in line. Yet we're stuck on a treadmill on inflation. Every new dollar we make goes right out again for something that costs more than ever. We spend all our efforts just to keep up with the cost of living that was nearly doubled--I'll say again--doubled in this decade. Nothing that the government has tried so far has really worked. We had wage and price controls back in '71, but when controls ended, prices took over again. We had the old time religion that slowed down the economy to wring out inflation; instead, we got 9 million unemployed people. And frankly, President Carter, in his deceleration program announced earlier this spring, hasn't gotten very far with it either. He even said that himself on TV one night.

With all these disappointments, we might be tempted to just do nothing--maybe just to live with it and hope that maybe it will go away. But inflation is not going to go away. We can't ignore it. After we blame low harvests, energy crisis, bad weather, simple bad luck and anything else, we still have underlying inflation that continues to go on. That underlying inflation comes from wages that move up to meet rising prices, and prices that move up to pay higher wages. It goes on and on in one big vicious circle. I don't need to tell you how inflation affects your life. You can see it every week at the department store, on purchasing invoices that you have to pay, on hospital bills, on your tax returns, and on most any other bills that you see.

What you should also understand is what it's doing to our economy. Our dollar buys less and less abroad every day. We have record high interest rates. Investors shy away from new ventures. Businesses postpone modernization. Our factories age a few more years, and we become that much less productive. Consumers get more reluctant. Our savings lose their purchasing power, and we are all less confident about a bright future for our children. In other words, inflation is jeopardizing every bit of progress we have made since the bottom of the recession three years ago.

It's clearly up to the federal government to do something. You expect it. The President is determined to carry out his responsibility, and really the whole world is watching to see what we do. The President announced his anti-inflation program recently with a very frank message. Inflation is so deep, so complex, and our options so limited that there is no guarantee of success. There are no easy solutions to inflation, period. We don't have all the answers--I repeat that--we don't have all the answers in Washington. The President doesn't. Nobody really has all the answers. But we have a good idea of what doesn't work. We think we've picked the approaches that have the best chance of success. We're determined to make them work, and if we can find better ways to combat inflation, we'll use them, too.

Now, let me describe in detail what the President has proposed to do about inflation. He first determined that any anti-inflation program would have to include a strong example set by the federal government. I don't think anybody would disagree with that. The government is not the only cause of the inflation, but it's for sure one of the causes, and we realize that. So the President has ordered the following measures: first, he has tightened government spending even more, bringing down the federal deficit. How many people know what the federal deficit was when Jimmy Carter went into office? 66 billion dollars. And for those of you too sleepy this morning to realize how much that is, that is 66,000 million. The voters expected him to do something about it when he went into office, and that was two years ago, in fiscal year '76. In the fiscal year that just ended, the deficit was down to 49 billion. That's still a lot of money. This fiscal year we'll be down below 40 billion, and in the budget for 1980 fiscal year, which is now being prepared, the deficit will be still lower. The President has stated publicly that it will be 30 billion or below. We're not starving any useful programs. We've not made arbitrary cuts. We've simply gone line by line through spending proposals and cut out the things we can't afford. And I'll tell you one thing that most of you probably don't realize. When the President makes up his budgets every year to submit to Congress, he only controls in any one year 23% of the budget, because the other 77% of the budget is already spent on long-term programs that were enacted

by Congress years before that year. So in bringing the budget deficit down from 66 billion to 30 billion, he's done it by being able to work with about 23% of the budget on an annual basis. That's something that I certainly didn't realize when we went into office, and probably a lot of you didn't either.

President Carter also stated that he would accept no more income tax cuts until we got control of inflation. That means using the veto if he has to. We simply cannot afford tax cuts that add to this deficit.

The second thing the government's doing to help control inflation is to control the huge personnel costs of the federal government. The President cut the federal employee pay increase by one-third. He put a 5.5% cap across the board, and he froze all the pay of all the senior executives in the government. He has just announced another measure, a deep federal hiring cut. Only one out of every two vacancies for full-time jobs that come available will be filled, and this will cause the federal government employment to decrease by 20,000 jobs this year.

Third, we're attacking the problem of government regulations. How many people in here have to put up with government regulations? Anybody ever heard of OSHA? Okay. We're going to try to keep making progress on such things as clean air, clean water, worker safety, public health, consumer protection and other goals, but we're going to do it in a reasonable way. We're going to make steady progress. We want to make sure that we don't pay too high a price for these things. You know, President Carter just this year had the Secretary of Labor get rid of 1100 OSHA regulations. I know most of you probably get involved in that one way or the other. President Carter has announced formation of a regulatory council to keep track of proposed regulations, to help keep down their cost and prevent regulation duplications. But most important, the President will use his general authority to insure that new regulations are issued only when needed and that they meet their goals at the lowest possible cost.

Fourth, we are going to use government regulations to administer a healthy dose of competition to our economy. We've already seen the results of the President's deregulations of the airlines. Fares are lower, and the number of people traveling is at an all-time record. Now, we're going to look at other industries that have languished in the bosom of government protection. We're giving a close look to the trucking industry, and then we're going to start looking at the railroad industry. Moreover, we're going to use our anti-trust powers to keep competition in our free enterprise system. In recent years we've seen industrial giants raise prices together, not lower them in the face of falling demand. That's not how our economy is supposed to work. We're going to help enforce the law of supply and demand.

Finally, we will attack specific inflation problems as needed, with such actions as opening up more farm land for production and renewing our effort in Congress to pass the Hospital Cost Containment Bill. These measures present a strong example for the rest of our economy. I don't know how many of you know about the Hospital Cost Containment Bill, but you know one of the reasons we're trying so hard to get some regulations through to control that--you probably don't realize this, but the federal government pays 40%--say it again--40% of all the hospital bills in this country--you probably didn't realize that--through all of its programs

of, you know, assistance everywhere, and those hospital costs just keep going up several hundred per cent a year, so that's why we're trying to keep control of it. We failed in Congress this year on that. We're going to try it again next year.

This still leaves us with the problem of inflationary expectation. We see prices go up, so we hike wages. We hike prices to pay wages, and sure enough we get more inflation. President Carter's pay and price standards aim directly at this vicious circle, and this is something that I know you'll be interested in, too. These standards include a pay standard of 7% average increase. This applies to every company-wide contract and every pay raise for next year. It applies to everyone--blue collar workers, white collar workers, executives, and to wages and fringe benefits. There are two exceptions to this standard: low wage employees and pay increases mandated under contracts already signed.

On the price side, our standard is just as tough. Our basic target for economy-wide price increases is five and three-quarters per cent. That can be achieved if every company limits its average price increases to one-half of one per cent less than what their price increases averaged for 1976 and 1977. We expect an overall cost of living increase next year slightly higher than five and three-quarter per cent--probably in the range of six to six and a half per cent--because of the existing contracts and other forces already at work. But that is much lower than this year's inflation rate. And more important, it's less than the pay increase. We want to hold pay increases to 7%, and we want to hold price increases to 5 3/4%--the difference between those two we expect to be covered by productivity increases. I don't know if you know this, but productivity in this country has been increasing at a very, very, very small rate, and that's one thing that's made this country so strong in years past is that as prices have gone up, we've been able to produce more product per man hour worked, and that has kept inflation from running away. But our productivity has really gone down in the last few years. In other words, we're not producing any more per man hour than we were at this time last year, or very little more. So we need to get our productivity back up to help us deal with general increase in prices.

These pay and price standards apply to large and small companies, from landlords to doctors to executives to factory workers to dentists, to every industry, to every union, to every profession, to everyone. We're not excluding anybody. We will treat everyone fairly, but we expect everyone to comply. That's the essence of the problem and the essence of the solution.

We can control inflation by uniform, gradual self-restraint. That leaves us with this question. How do we expect any company, any union, any individual to meet a voluntary standard? This is why a lot of people have a lot of doubts about this program. What's to stop someone from taking advantage of the rest of us by ignoring the standards? There's no guarantee, quite frankly. These are not rigid controls, but for the first time we feel like we have the power of public opinion behind us. We have, we feel, everyone's attention. And just as important, the President has a wide array of levers to bring pressure on industries that do not cooperate. Here are some of them.

First, the government spends a huge amount on purchases from private industry. How many people know how much the government

spends every year to buy goods and services from private industry? 80 billion dollars. Now, we're not going to buy anything from anybody who isn't complying with these voluntary guidelines, and we are not going to buy anything that we legally can keep from buying. There are some rules that control us legally. So we're going to use that purchasing power to try to keep people in line. That's the first thing we're going to do.

Second, we're going to make sure that the market forces work better. We can relieve shortages that drive up prices by direct government action. We can allow more imports. We can open up regulated industries to more competition. We can review labor regulations that raise labor costs. We can cut requests for regulated rate increases. And as the program continues, we can look at other means of indirectly restraining prices and wages. So you see, there's a great deal that the President can do administratively to secure cooperation without waiting for Congress. I'll guarantee you--he told me this yesterday morning when I was in his office--the President won't hesitate to act.

Before I close, I want to point out what the anti-inflation program will not do. First of all, it will not slow down the economy so that people lose their jobs. A lot of people have been talking in the last week or ten days about the anti-inflation program is going to throw the economy into a recession. We don't think so. We will not demand uneven or unfair sacrifices from those who have given up so much already to inflation, people on fixed incomes, the elderly, workers earning close to minimum wage. And a lot of you here will relate closely to this. We will not muzzle small businesses and unorganized workers while letting big business and big labor set their own prices.

Further, our program will not impose wage and price controls. They will simply paper over the problem. They may work temporarily, but they only really postpone inflation. That happened back in '71 or so when we had wage and price controls. We feel like we have to break down inflation voluntarily. That's the only way government can relieve any of us of that individual responsibility. We have to restrain ourselves, discipline ourselves. Government can help build confidence that our neighbor next door and the huge company on another coast are doing the same thing, but it's still up to everyone.

President Carter believes we can do it. He came into office because he showed confidence in the American people and in the strengths of this nation. He stated his belief that we can put special interests aside and work for our own common interest. We have the world's only two trillion dollar economy. We have over 100 million people at work. Although our productivity, as I said, has gone down, we still have the most productive work force in the world. Most of all, we still have the will to achieve, the will to overcome our problems, the will to work together. That's why we can break down inflation, and that's why we will bring down inflation.

We know what we're talking about on inflation, and you have to know what you're talking about on inflation to go out there and help us get this job done. Everybody working together is what it's going to take to bring it under control. We can't sit back, as I said earlier, and wait for it to go away, because it won't go away. It's going to get worse and worse if we don't work together on it.

Okay, If anybody's got any questions, I'll be glad to try to answer them. Okay, sir.

MR. BELL: I'm Bob Bell, Jr. Since wages and prices are the symptoms of inflation, and inflation is the increase in the money supply, and the money supply is controlled from the Federal Reserve Board and the spending policies of the federal government, why is not the federal government the sole causer of inflation? Because you talk about the wage and price spiral. That is only the symptom of the problem of inflation. I mean, what I don't understand is how you can expect us to put all these restraints on us and the federal government doesn't intend to do it itself.

MR. CARTER: Well, you might not have heard what I said. I gave you a list of the things--and it was not completely detailed--of what the federal government is doing. We're cutting the deficit. I think the Federal Reserve is cutting the money supply. We're cutting employment in the federal government. We're trying to use regulations to bring down other federal government spending. I agree with you that the federal government is one of the causes, but it's not the only cause. And if you want me to send you a more detailed list of the things that the federal government is doing, I'll be happy to. But as I said in my talk, the President realizes that the federal government has to take the first step, but it's not the only one that's got to take a step. But we have no disagreement with you. It's a big chunk of it, and that's why, as I said, we're trying to bring down the deficit. We put a limit on pay increases for government employees. We're cutting back the number of government employees, and we're doing a number of things like dealing with regulations that the government has which can cause inflation, and there's a whole long list. But those are some of the ones that are at the top. It's a good question.

MR. JABBAR: My name is Bob Jabbar from Brooklyn, New York. When President Carter ran for office, one of his campaign promises was he would balance the budget by 1980.

MR. CARTER: Exactly right.

MR. JABBAR: All right. I, as one American, am very disappointed, but not necessarily surprised at another broken political promise. What I want to know is this: does the President favor the Constitutional Amendment demanding a balanced budget?

MR. CARTER: At this point, I don't think he does. I think that he feels that he can balance the budget himself. He promised that he would balance it by 1980. He now says that he was wrong. Obviously he was. One of the reasons, or one of the primary reasons that he was wrong, as I told you, is the President only controls on a yearly basis 23% of the annual budget. So if he controlled 100% of it on an annual basis, it would be easier. Now, he has cut the deficit from 66 to next year it will be 30 billion dollars, and if he stays in office, he fully intends to balance the budget. He had fight after fight after fight with his economic advisors, and he has not given up on balancing the budget. If he stays in office, I am convinced that he will do it, because he did make that commitment. He found out that he's not going to be able to do it quite as fast as he said. As far as a Constitutional amendment, I quite frankly haven't heard him say one way or the other, but I would tend to think--and this is just my opinion--that probably he would say, "I prefer to balance the budget myself as President." And then at some point later on, if it's possible, he may

favor a Constitutional amendment. But a Constitutional amendment, most of you know, is a thing that is very hard to get passed, first of all, because a certain number of states have to ratify it after the Congress passes it, and then is pretty well locked in concrete, and you don't want to take away the flexibility of the federal government. And sometimes it's to the benefit of this country to spend in deficit. And if you take that flexibility away, I think there might be a number of other problems it would cause, so I think he probably would want to study it and things would have to be a little bit different than they are now before he would do that. But that is my opinion. I have not heard him personally say what he would or would not do.

MR. JABBAR: It seems to me, and maybe some other people, also, that President Carter, if you compare him to President Ford, is taking a different route in fighting inflation. President Ford was attacking Congress, was attacking spending, great speeches on how to get the deficit down, and he used his veto all the time, and I think he suffered politically because of it. It seems that President Carter is trying to blame the wage earner and the businessman for this problem, and I think that most Americans today would blame the federal government. But what I don't understand --a point that you brought up, and maybe you can enlighten us to this--if the deficit is falling, how can inflation be rising like this? It's really taking off. Is there any fiscal gimmickry there? Because it's just unbelievable with the deficit falling and inflation still spiraling.

MR. CARTER: Well, you just pretty much answered your own question. The deficit is falling. There still is a substantial deficit right now. As I said, this year it will be about 40 billion, but that is still a substantial deficit, although it has fallen. But to look past that, that's a perfect example of the fact that the federal government by itself cannot completely deal with the problem. We have to have business and labor to go with it. You can balance the budget and we would still have inflation. We would not have as much as we have now. But if you perfectly balanced the budget, we would still have inflation, and that's why we've got to have cooperation from the business community and the labor community and from each and every individual, because people demand higher wages, businesses demand higher prices--it just could be a vicious circle. The government for sure chips in a substantial part to keep the fires of inflation fueled, but everybody has to work together to keep it and bring it under control. And so I think you just pretty much answered your question. Government can't do it by itself. Thank you very much.

CHAIRMAN MALEC: Thank you very much for your remarks, Mr. Carter. We enjoyed them very much.

We will now get into the regular workshop session, and I'll turn it right over to our Washington counsel, Al McDermott.

MR. McDERMOTT: Thank you, Joe. Naturally, I won't spend any time on wage and price spiral, except to say to you that it is a big issue. It's going to continue to be an issue next year, and, of course, if we can't curtail the increased spiral, then greater steps are going to have to be taken, and I think we have to face that.

Now, I'm sorry that Hugh has left, because for those of you that are covered by the minimum wage, while we're being asked to

stop at 7% increases in the wage, you're going to have to pay almost 10% by statute next year, so it just doesn't wash too well. The other factors are if you are in a restaurant and you had tipped employees, your increase is going to be over 10%. So there are some problems involved, and, as Hugh mentioned, one of the exceptions in that 7% is the low wage earner. Well, the low wage earner, under the definition which has been promulgated, means \$4.00 an hour. There are some inherent problems, although the purpose, I think, is well taken, because some steps have to be taken so that we can succeed in curtailing the increases. That's about my remarks. I'd be happy to talk to you a little bit about wage increases if you have any questions later, but I don't think I should dwell on it anymore at this point.

Now, I do want to relate to you some of the things that have happened and look forward to some of the things that are expected to happen in Washington. I think I should first mention to you that a substantial tax bill has been signed, and frankly it was a better bill from the business standpoint than had been expected initially. The business community had a lot of friends on the tax writing committees, which are the House Ways and Means Committee and the Senate Finance Committee, and I expect we will continue to have those friends in the next Congress, so we should be in fairly good shape on tax matters. Now, the bill lowered the top rate on income tax from its present 48% to 46%, corporate income, and decreased the corporate capital gains tax, as well as the regular capital gains provision. It contained very few of the President's tax reforms, which I think was a blessing. In fact, it would have been some serious question whether you could write off certain of your expenses that are looked upon as business expenses today had the President succeeded in having his way. Fortunately, he didn't get his way in that instance, and you can continue to write off your business expenses as you have been doing in the past, with very few exceptions. Unless you happen to own a yacht or a hunting lodge or something like that, you may now have a problem that you didn't have before. But generally speaking, it's a very good bill from the business standpoint.

One of the provisions contained in that bill is applicable to those of you who have restaurants or those of you who accept credit cards of any kind. The Internal Revenue Service had proposed a number of years ago, and we were successful in having that proposal deferred, but only deferred--the Internal Revenue Service had proposed that an extra burden be placed upon you so that you would have to keep a separate record of all charged tips on credit cards, and ultimately the Internal Revenue Service intended to put another block on the W-2 that you give your employees at the end of the year, and in that one block would be the tips on the credit cards that were reported by you, and that would have had to have been done throughout the year, and then at the end of the year you'd put that on the W-2 for that employee. Now, the Internal Revenue Service had promulgated that regulation. We succeeded in having it postponed, and in that tax bill which Congress passed and the President signed, they have barred the Internal Revenue Service from putting that particular proposal into effect.

Now, looking forward to next year in the tax field, one of the issues is going to be this wage and price control--namely the one that will give a credit to certain people who get an increase less than the average increase over the year. I think the President's submission of that one proposal is going to open up a whole area of possible other proposals in the wage and price field. But

as I indicated to you, I'm not getting into that. I simply want to caution you that that will go before the tax writing committee, and the tax writing committee can broaden it substantially.

Now, in that connection, one of the items that the tax committee will be considering in this coming year is the fringe benefits, and this may be important to some of us in our industry. I will be reporting to you on that some time within the next calendar year. You've got substantial increases in your Social Security tax, and this is a continuing problem. I look for some hearings next year on an effort to roll back to some extent the Social Security increases which are now on the books. I'm not going to relate them all to you, but there's an increase in both the base and the rate in your Social Security tax. By 1990, that rate will be 7.65. Next year it's 6.13, and it goes up to 7.65 in 1990, and the base upon which you pay the Social Security tax will be \$22,900 next year, and it will go up to \$42,600 by 1987. So I think that the Congress realizes that while they've given you some relief in the tax bill last year that that relief to a great extent, if not completely, will be taken away by the increases in the Social Security tax. The Congress is conscious of that, and I look forward to them next year trying to alleviate that increased burden in the Social Security tax. I do not look for any relief for the increases which are to take effect on January 1 of 1979.

Now let me talk a little bit about travel and tourism, because tomorrow evening you have as a speaker Senator Dan Inouye of Hawaii, and Senator Inouye is a very prominent individual. He has a lot of seniority in the Democratic Party in the United States Senate. He's the chairman of a subcommittee on merchant marine and tourism, and it's because of that tourism aspect that we are deeply involved with Senator Inouye. He perhaps is the closest friend that the travel, recreation and tourist industry has in the Congress, including the House and Senate. So I solicit your attendance at that dinner tomorrow night, because I think you'll enjoy meeting Senator Inouye. He's been a long-time friend of the recreation and tourist industry.

Now, he has a study underway--I should say it's been completed. He has had it underway for quite some time, and he started hearings on the findings of an outside group that has come up with some findings as to how the federal government can play a more proper role in the promotion of tourism. I feel reasonably sure that during the course of his brief remarks tomorrow night he'll make some mention of this particular study, but your Association has testified on the first phase of that study, and it was a limited portion of testimony, because we were asked to keep our comments limited to just two things: the importance of having the top government officials become more aware of the problems in the tourism field, and that they coordinate their efforts. And so one of their recommendations was that all the top government agencies have an advisory council and they be responsible for talking about tourism on a regular basis and reporting back to Congress as to what they are doing to promote tourism. It was our recommendation that that could only be successful if it would be chaired by someone from the White House, because each one of these cabinet officials is a little kingdom in and of itself, and they don't like to take orders from one of their fellow brethren of equal stature, so it's important that the head of that advisory group come from somebody who has the confidence of the president. We have made that recommendation, and unfortunately the administration doesn't want to touch this area at this time. Of course, their reason is

a good one. It's the budgetary reason. But we have something up our sleeve which will not cost them anymore money, and at the same time will give us a greater voice in the halls of government. So we're looking forward to next year appearing on this very subject that Senator Inouye is going to refer to tomorrow night when he will go into greater detail and the specifics as to how the federal government can perform a more proper role in the promotion of tourism.

Now, there are a number of items. Energy, for example, is one item. I didn't know until I was having breakfast here this morning sometime that the Arab oil embargo might cut two ways. Up until this morning, I always thought that the Arab oil embargo of 1973 and '74 was harmful to the travel and tourist industry. I know it was to a great extent. But apparently those of you who have parks within a city limits or thereabouts didn't suffer too much, and perhaps you gained a little, while, of course, those who are considered destination type parks perhaps had a tougher road to hoe because of the shortage of the gasoline. So as I indicated maybe for the first time to my mind it may apparently cut both ways. But regardless, I think we want to alert you today that your Association is active in this area, because if they cut off all gasoline, all people will be harmed or hurt, not just a few. So we're concerned about the rationing, and Joe has testified at a hearing in Denver on August the 10th on the contingency gasoline rationing plan. Then we expect that the government will have hearings early next year on a conservation plan. That conservation plan is the type of plan that in all likelihood will have something in the area of a weekend ban on the sale of gasoline. There's been a lot of talk about that still in the various executive agencies of government.

Now, I'd like to talk about a major item that I know you're all interested in, but I can't help but harken back to again the wages and an effort to control wage increases. I don't know how many of you know--I know the people from Hersheypark know this very well--but last May, President Carter's own Labor Department, mind you, recommended not a 7% increase--a 46% increase in the wages of certain executive, administrative and professional people under the Federal Wage and Hour Law. Now, I will have to say I don't think the President knew anything about it, and a lot of other people in the White House did not know about that, because the Secretary of Labor just went ahead and promulgated a proposed rule which would have increased the wages of that type of employee who can be exempt from the overtime provisions of the Federal Wage and Hour Law, provided he gets a certain salary, among other things. But forgetting the other things, there was a proposal that his salary be increased 46% in order for you to still keep him as an exempt employee. Well, fortunately we raised a little havoc with that one, and we did get to the head of the Council on Wage and Price Stability--we got a little bit of support. We got his support. We got a little bit of support from the Secretary of the Treasury, Federal Reserve Board, and before you knew, the Labor Department was told to hold back and not promulgate that regulation. So as of November, they have been sitting on that 46% increase. That doesn't mean necessarily it's dead, but hopefully with the administration preaching as it is from many pulpits, whether they're drinking martinis or not, I don't know--but anyway, if they're preaching one way and limiting wage increases to 7%, it's extremely difficult for me to foresee that they will permit the Secretary of Labor to go ahead with any kind of an increase in that category of worker in the neighborhood of 46%. But that's

only one part of the wage and hour problem. Some of you I know are covered and some are not by the Federal Wage and Hour Law, but if you're not covered by the Federal Wage and Hour Law, I want to say that you might perhaps be covered by a state law. And because you may be exempt by the federal, there's no reason why you're exempt by the state, so you have to meet the terms of both your state and the federal law as far as the application of your work rules are concerned.

Now, the federal law, as you well know, goes up to \$2.90 an hour January 1 of 1979. I'm not going to tell you what the further increases are. I'm not going to go on and tell you because they're substantial, and the present law provides for increases up through 1981. But keep in mind that those of you who are covered by the federal law will have to pay a minimum wage no longer of \$2.65 which you have been paying now--at least 2.65--but you will have to pay \$2.90 an hour. Now, most important, the law does change as far as the overtime provisions are concerned. Some of your employees, and in the restaurant industry all of your employees, have been permitted to work up to 44 hours a week without your having to pay overtime. As of January 1 of 1979, you will have to pay overtime after 40 hours per week, and I want to emphasize this point, because if you ever get investigated by the Labor Department, they can go back on your books for two years. Your big liability in all probability is going to be on the overtime category. The penalty is not time and a half the minimum. It's time and a half whatever their regular hourly rate of pay is of that individual, and they can go back for two years, and there is also a penalty under certain circumstances that could be double whatever that liability is. So I don't want you for one moment to realize or not realize the fact that the real danger lies in working people overtime, because the minimum is clear. Either you're paying the minimum or you're not. It doesn't take any Houdini to figure that out, but where you can get hurt is in permitting the workers to work overtime, because your liability can be substantial. Now, those of you who do run restaurants, in addition to having to pay the increased minimum wage and watch your overtime hours, you're losing 5% of your existing tip credit. Whereas today you could get 50% of the existing minimum wage at \$2.65 an hour, on January 1 you will only be able to get 45% of that wage, which at that time will be \$2.90 an hour, so you can see the substantial increment.

Now, your Association is working with the chamber of commerce and other groups in Washington in an effort to hopefully--and I use the word in quotes--hopefully defer some of these increases which are on the books, just like the Social Security increases. And you heard Mr. Carter refer to the fact that only so much, 23%, is in the control of the President as far as the budget is concerned because of statutes in past years--and I'm not referring to these. These were not wages he was referring to, but it's a similar pattern. Statutes from Congress in past years have provided for historical increases of all types, and as a result that does make it difficult to control the budget. But here are two statutes that have provided for increases in the private sector, substantial increases. So in an effort to curtail those laws, at least one of them, the minimum wage law, which is already on the books, and which will go up to \$3.35 an hour on January 1, 1981, a group in the business community had been working to seek some type of deferment.

We had a bill introduced late in the second session of the

last Congress, but after taking a few soundings, it was obvious that there was no chance that it would go anywhere. We did get some support. It was bipartisan support, and I think we'll get that same support in this next Congress. We had Senator Tower of Texas, a Republican, who has been elected. We had Senators Morgan of North Carolina and Stone of Florida, both Democrats, and Senator Hatch of Utah and Hayakawa of California, both Republicans, none of whom had to run for reelection, so they'll all be back fortunately. But they introduced a bill late in the last session of Congress deferring the minimum wages increases and deferring that law on the tip credit. A similar bill was introduced real late in the House of Representatives, but it was impossible to move the bill, although we considered tacking it on to a separate piece of legislation that would come up and be pending in the late days on the House and Senate floor. But it's a new ball game when they come back on January 15th, and it all depends, ladies and gentlemen, on the inflationary spiral. This is why inflation is going to be with us for a long while.

If this inflationary spiral continues, there is reason to hope that some deferral could take place in the minimum wage. Not next year--there is no hope, in my humble opinion, because the minimum wage of \$2.90 goes into effect January 1, with all those other so-called attributes, and Congress doesn't come back until January 15th. So if there's going to be any deferral, I think it's only going to be in subsequent years, and it's going to be a tough battle, because even though the labor unions have not been as successful this year in supporting their candidates as they have in the years past, they still have a good deal of support in the House and Senate, and they're very strong in the labor committee. That makes it very difficult for any kind of a labor bill which could be classified as pro-business for the simple reason you usually have to start in the labor committee. It's possible to take a bill on the floor, but that's only really done in times of great peril or times of emergency. It may be a time of that caliber in the weeks ahead and the months ahead, but it's going to be difficult to get it out of the committees, because the labor committees will still be strongly supportive of the labor unions. I can tell you that they only succeeded in apparently supporting about two-thirds of the candidates this year. Their money went to two-thirds of the successful candidates in the House and Senate --I'm talking about the AFL-CIO. In the years past they were in the high 70's. So they look upon it--you know, percentages, small percentages are very important. They dropped from say even 73 or 75% to 65 or 66. It's substantial, and that's what their drop was this year in their support of candidates, so I don't think they're going to be quite as strong.

I think the business community got out this year and they did a pretty creditable job. They elected some reasonably moderate to conservative senators, especially, and hopefully they did the same in the House. I can give you two examples. We lost Father Connell--the priest from Wisconsin. And we lost a fellow named Mike Bluen out of Iowa. They were both Democratic members of the House Labor and Education Committee. Now, the two replacements are going to have to be an improvement for the business community. I think it will be a substantial improvement in both cases, but you never know how these young folks are voting these days. You know, a lot of unions thought they'd supported the right candidate two years ago, and when the time came on a few key votes, the labor fellows saw that these young fellows and women are independent, and they weren't just going to automatically vote that labor line.

But here in a nutshell I'd say that we got a little plus this year, and I'm looking forward to a tough year, but really not as tough hopefully as it's been in the last couple. We were pretty successful under the circumstances, but the reason we were successful really is not because of your government relations committee or your Washington representative; it's because the people became more active and involved.

And I can tell you one little story that a senator told me. He was shocked when I told him we were getting up some kind of a voting record. They don't like this, because a lot of these senators and Congressmen vote one way, and they go home, and when they know your position, why you would think you were in bed with them, because they say they agree with you 100%. But then when they get back to Washington, they vote against your position. Well, more and more of the business community are informing their members of just how these senators and Congressmen are voting, and it's really hurting them. And to complete my story, this senator was shocked when he heard that so many business groups were getting together and going over these records and reporting back to the membership as to how he and his friends, in this particular case, in the Senate had voted on a given issue.

So I think the business community has come of age, but I think we have to continue to be active, and in that connection, although I wanted to talk about minimum wage for a couple of seconds more, Joe has been looking at what's called a Government Relations Action Kit, and this would be a little brochure that would go to the members with a brief story, tell you how a bill is enacted, tell you a little bit about the history of it, tell you how it goes through committees and what happens and how it goes to conference. Be great bedtime reading if you've got a minute some time. It isn't too long.

In addition to that as part of that kit is a system which we probably will call an alert system. And in that alert system, you will probably have--it's not been finally decided--but perhaps three alerts, a red, an orange and a green, and that will depend as to the importance of the item as to which one you would receive. If a bill was something of interest to the IAAPA, you would probably get it in the nature of a green alert, just to keep you informed. As it moved through committee, you'd probably get an orange alert, and in that alert it would tell you what the issue was, what the bill number was, and it would tell you what they would want you to do. Joe would say, "Here's what we want you to do." If it's in committee, he would give you a list of the members of the committee. Now, it's possible that he might only send it to those of you who are in states who have representatives on that committee, because that's the most effective voice is the fellow or lady from back home, and it doesn't do any good for somebody from Oregon to write to the senator from Alabama, because the senator from Alabama, unless he's running for President, could care less about that fellow from Oregon. He might not exhibit openly, but I can tell you that's what his feelings are. So the committee, if you have somebody on the committee, will probably direct it to those amusement parks and recreational establishments who have that member on the committee, because you're the most effective. And then as it moved along the chain of command and it got to be a real hot issue, of course the red alert would go out to all the members, instructing you as to what we'd like to have you do. This is just one little thing that your government relations committee is considering at this time.

Let me go back to the minimum wage, because, as some of you know, last year's bill, in addition to providing those increases, set up what is called a minimum wage study commission. Now, this could be very harmful to this industry because there are very few industries left which are not covered by the Federal Wage and Hour Law. Now, I know some of you still have your seasonal exemption, and there are very few industries that have any kind of exemption. Also involved in this study commission, specifically involved, is the study of conglomerates. And I know that there are in the IAAPA a number of conglomerates--perhaps not much more than a handful or two or three, but there are some so-called conglomerates. I have about a 50 page document that yesterday during my remarks I offered to run off and send to any of you who might feel that you could be classified as a conglomerate. As I said, there are only a couple of handfuls of you that could be in that category. If you're in one business other than recreation, amusement, et cetera, but if you're also in this business, it's possible if you do a certain substantial volume of business--at least 10 million--you would be considered a conglomerate. The government itself has had a very difficult time in deciding just what a conglomerate is, so I'm not going to specifically give you an answer in concrete here this morning. But that's about the feel of it, the 10 million or more, and you have to be in other than a related business, more than one business in another field. For example, Tenneco is looked upon as a conglomerate. Tenneco is in agriculture. It's in a number of other things, as you know. But anyway, this minimum wage study commission issued an analysis of the conglomerate question, and I'll be happy to make it available to you. So they are going to zero in on the conglomerates. And as I indicated, perhaps there aren't as many conglomerates subject to this particular study that are in this industry as there are any other industry.

In addition, they're going to be looking at your seasonal exemption. So what? Let them look at it, you may say. Well, they are going to have to come up with a recommendation. This is always a part of this thing. You know, we pay them good money to sit down and meet for a period of years, so they have to come up with a report. So I don't know what the report's going to say naturally, but three years from now they're going to have to report what the Congress should do in the minimum wage area, and the seasonal exemption will be under attack. The conglomerate issue was supposed to be reported back to the Congress in one year, but because of the problem in defining a conglomerate, I now understand there's a letter either pending or which has been sent to the House and Senate asking that the commission be given the same amount of time--namely the three year period--in which to make the report on the conglomerates. So this is an issue that your Association will be deeply involved in for, it looks like, a couple of years.

We're working on the child labor provision in an effort to get some relief for those of you who hire these youngsters and who are not permitted to work them many hours during the week and fewer hours during the day, and even sometimes when they're not going to school. On Saturday you can't work them during the late hours or Fridays, so we're trying to get liberalized Child Labor Regulation 3. I think there is some hope in the immediate future. We look for the Labor Department to issue a proposal before this year is out, and I have reason to believe, the proposal includes some of the recommendations that Joe Malec made to the Labor Department earlier this year in an effort to get some relief from these strin-

gent requirements of Child Labor Regulation 3. But I want to alert you and caution you at the same time that even though we're optimistic, when the proposal is put into the Federal Register sometime before December, they're going to have to have hearings on that proposal. And your Association sometime in early 1979 will testify again in a formal proceeding before the U.S. Department of Labor in an effort to get some relief in this area. There is reason to believe that we may be able to expand some of the present stringent restrictions and liberalize them within the next six or seven months. Now, I have a list of some of the things we've asked for, if you're interested in that.

We are involved in labor reform. You know the filibuster killed the so-called labor reform bill last year in the Senate, and I gave you a little feeling about the make-up coming in. I'm hopeful that the Senate will be a touch more conservative than the present Senate has been. So if need be, we ought to be able to muster a filibuster, but I think we have to fight a little harder in the House than we did last year, where this labor reform bill was passed, and this could be very harmful to all industries, especially small business. There will be a real effort made to organize, and especially, I suppose, the concentration in the southern states, including the great state of Oklahoma and other states thereabouts. But anyway, this is a bill that's going to be facing us next year. It's still a high priority on the AFL-CIO list.

I have a number of questions here. I think most of them were on the wage and hour, but there was one question having to do with whether or not the federal government would consider a sub-minimum wage for students again, and I would say yes, they will, but it won't be by the executive branch or the Labor Department. It will have to go through Congress, and until such time as they amend the Fair Labor Standards Act, I doubt that they would provide a sub-minimum rate for youth. That particular proposal only lost in the House of Representatives last year, which would have provided a lower minimum wage for youth, but it lost. It was a tie vote in the House, and Tip O'Neil, who's the speaker and ordinarily does not vote, had to break the tie. Unfortunately he voted against us and the lower minimum wage for youth was defeated on the House floor. But to answer your question, I think there will be an effort made, but I think it's a few years away before a successful effort can be made.

I talked about the amusement park exemption on the minimum wage. Somebody asked whether the Consumer Product Safety Commission has authority or power over your industry, and I'd have to say yes.

What are we doing about efforts to abolish OSHA? Well, we're supporting efforts to reduce its impact at the moment. Even though Congressman Sims has a bill in to abolish it, it's difficult with the make-up of the last Congress, and it probably will be difficult with the make-up of the next one to abolish the agency, but we are putting the heat on it, and we are seeing a little bit of relief. And as Mr. Carter pointed out to you, they are doing away with a number of the tough restrictions which were already on the books by the Labor Department.

I've given you what the bottom line is on the minimum wage. I've talked to you about whether federal laws supersede state laws on wages. The answer is no. You pay the higher of the two. What about the difference in minimum wage for food or rides or shops,

minors and adults. Well, if you have a full-time student exemption, you have to get a certificate for that particular purpose under the federal law. It would entitle you to pay a full-time student 85% of the minimum wage. There is a credit if you provide meals to your employees. You're entitled to deduct the reasonable cost of those meals, provided you did not make a profit, in determining the cash wage you must pay your employees in order to meet the minimum wage, which is \$2.65 now and \$2.90 next year.

What about if somebody takes something out of the till box or the cashier takes something and creates a shortage? Well, the Labor Department contends that you're permitted recourse, provided --and here's a big proviso--providing your recourse in recovering from that cashier doesn't cut into the minimum wage. It's another gray point, but that's the story of the Labor Department's position.

If you offer a bonus to your employees who stay for Labor Day and they default, can we withhold the bonus? You can, again providing you've paid the individual minimum wage for hours worked. If it's a separate agreement with an employee that you'll pay them an additional bonus, and the employee doesn't live up to the terms of those agreements, you don't have to pay the bonus, but you have to make sure that for each hour worked that employee has at least received the minimum wage. Again, I'm talking if you're covered, because some of you are seasonal and you're exempt.

Now, what about the high cost of Workmen's Compensation, and will automatic minimum wage increases affect it. Well, naturally they will, because one of the factors that's kicked into those premiums is the cost factor or the minimum wage factor, the wage factor of the employee, and so that would be a consideration. And the Workmen's Compensation rates seem to be going up. I can only say that we're fighting that one a little bit in Washington, because Senators like Javits and Williams of New Jersey would like the federal government to take over that area. And if they do, then your Workmen's Compensation costs will increase even more.

I have one further question here that was sent in in a couple of instances, I think--maybe by the same couple--but it has to do with a good question, and I'm going to research it a little more, but I can give you a little bit of a feel for it this morning. This particular property is concerned because--although it doesn't say it's an exempt seasonal amusement park, I think it is--but anyway, its retail sales, including its food service, are now beginning to exceed its admissions. And naturally, under retail and service, you see, you're under one category, and if you're now doing, say, 51% or so in the retail and service, you may qualify as a retail and service establishment. What if you're an amusement park or a recreation establishment? That exemption makes no reference to retail or service, so as long as you can hold yourself out as an amusement or recreational park or establishment, the retail or service question should not enter into it. If you do not qualify under the amusement park or recreational establishment and you're a real small business--I think it's \$275,000 gross a year now--you do not qualify for the amusement park establishment, then you can seek to qualify under the retail or service. But if you can continue to be classified as an amusement park or recreational establishment, it's my opinion--and I'm co-author of a book on wage and hour--that you don't have to worry about the factual situation which I related to you.

Interestingly enough, about two months ago there was a prop-

erty--a member, I think, of this group--from Indiana that wrote to us, and we examined the income of that particular property to see whether or not it would qualify on the seasonal basis. It did qualify, and we sent our report back, and we had a response from the owner of the park or the attraction in this case saying that the Labor Department had accepted our interpretation. And as far as I know, from that letter, the case was closed. In reviewing the facts of that case just before I came down here to Atlanta, I went through the various gross receipts and noticed that 53% of the business of that particular attraction came from the restaurant, and the government agent in that instance, in the Indiana region, at least, did not raise any question, even though 53% of the income was coming from a restaurant, a so-called retail or service establishment.

I don't want to leave you this morning with the fact in your mind that this is a closed question. To our knowledge, and the knowledge of Freddy Glasgow, who spent 35 years in the Labor Department, Wage and Hour Division, we do not see it as a problem. We hesitate to officially write a letter to the Labor Department and stir this issue up. If any of you are faced with it, I wish you'd talk to me, because a friend of ours is in charge of interpretation, and we can have lunch with him and informally get an opinion. But I do not formally want to write a letter, because there may be something in the woodwork that I haven't seen. And again, it all depends really on the factual situation. For example, if you have four or five restaurants and you decide to put in a water slide or something like that, don't come to me and say you are an amusement park or a recreational establishment. You're probably in the restaurant business. On the other hand, if you've been a recreational attraction over the years, and there is a close question because some other business of the attraction seems to be exceeding your admission, I think it's reasonable to still contend that you're an amusement park or a recreational attraction. But again, as I say, it depends on the factual situation, and it's not always black and white. We do have some gray areas.

CHAIRMAN MALEC: Al will make mention a little bit on this gaming device.

MR. McDERMOTT: This is another item that's just recently come to our attention. I don't know how many of you have been socked by IRS with a tax for so-called gaming device, but it seems to be becoming more prevalent, and the government apparently in some instances throughout the country is looking on any coin operated machine as a game of chance, not one of skill. That being the case, there is a federal tax due if that machine or gaming device or whatever you want to call it is one of chance and not one of skill. Now, since I've been here at the convention, I talked to the attorney from the New Jersey group only last night to find out there's a little bit of problem perhaps in this area in New Jersey. I've talked to others. I'm getting the impression that the IRS is beginning to crack down in this area. Frankly, I don't know how many of you have been paying any kind of an IRS tax on this. There may be somebody who's paid it all along. We're just alerting you to the fact that if you haven't been paying it, you ought to be on the alert for this particular point and let us know what the intentions are.

As I indicated in a meeting yesterday, I'm probably going to have lunch with the wrong fellow next Tuesday, but I'm going to have lunch with a guy named Reggie, who's counsel for Las Vegas

hotels. And if anyone was ever involved in a game of chance and not skill, I guess they're the ones. So I guess he's well acquainted with the various gaming taxes that are imposed by the Internal Revenue Service. But I'm doing this in an effort to become better acquainted with the issue. I'm probably not in a position to specifically answer any question on this particular item this morning, but if any of you'd like to comment on it, we'd appreciate having your comments at this time. In the meantime, if you shouldn't comment, I'm sure you'll be hearing more from the IAAPA on this issue.

CHAIRMAN MALEC: Again, thank you, Al.

... The workshop was concluded at 10 a.m. ...

ARCADE WORKSHOP

FRIDAY, NOVEMBER 17, 1978

ROOMS 309 & 310, GEORGIA WORLD CONGRESS CENTER

The workshop convened at 2 p.m., Joe Robins, Empire Distributing Company, Chicago, IL, presiding.

CHAIRMAN ROBBINS: Good afternoon, ladies and gentlemen. Welcome to the 1978 IAAPA Arcade Workshop. I'm Joe Robbins, President of Empire Distributing. I think I'd like to start by introducing the members of the panel, then we'll go over the ground rules for the workshop.

First of all, Mr. Henry Grant from Belgium Amusement in Antwerp, Belgium. Mr. Rudy Hommerson from Hommerson Amusement in Scheveningen, Holland. Mr. Jack Waterman from Waterman Coin Machine in Wisconsin Dells, Wisconsin. Mr. Sol Tabb from Sol Tabb, Incorporated, North Miami, Florida. Mr. Jules Millman from Aladdin's Castle in Chicago. Mr. Mel Getlan from Amusement Consultants in Hartsdale, New York. Mr. Don Osborne from Atari, and Ms. Carol Kantor, Director of Marketing Services, from Atari. We're supposed to have Mr. Channing MacDonald here today, from Metro Vend, but he is ill, unfortunately, so we have his assistant, Mr. Dick Kubach and Mr. Murray Pennants from Rosalind, Long Island. I think that just about covers the panel.

What we're going to do is have five presentations by different gentlemen on different subjects, as per the agenda. After the last subject by Mr. Tabb, we're going to throw it open for an informal, question-and-answer session on any of these subjects. We have devoted the majority of the allotted time to that portion.

We're going to start with the first subject on the agenda, which is "Token Operations in Arcades." The first presentation will be by Murray Pennants.

MR. PENNANTS: Thank you, Joe. A group of us were discussing the upcoming agenda for this workshop and the topic of using tokens rather than coins was suggested. All agreed that because of the newness of the concept for most operations, the track record was yet to be established. But nevertheless, we felt that the idea needed talking about.

Since six of our amusement centers originally went into a token operation, I was chosen to make this appearance. The fol-

lowing is, basically, a list of advantages and disadvantages, as seen at this time. I'll begin with a little background, for those of you who intend to convert.

The size of the token is important. If your token is very nearly the size of a quarter, the problem of these being used in other machines, such as soda, cigarette, etcetera, could become a bit hairy. In some areas of some operations, the token is used exclusively for the transit system, therefore, we decided to go to a size larger than a quarter. I understand that some operations use smaller tokens for reasons of their own. I also decided to go with a brass finish, since it would stand out more in a person's pocket.

Once the size and logo were determined, the coins to be ordered became an important factor. The amount of tokens in the inventory had to be sufficiently large, because of the needs of our operation. Since additional tokens take four to six weeks for delivery, coin intakes had to be filled, coin vents had to be adjusted so as to accept our token and to reject the quarter or other coins.

The dollar-bill changer, also, had to be modified and adjusted.

Let me tell you about the advantages that we felt were the main reasons for converting in the first place.

Cash control breaks down as follows: We no longer needed to carry a large amount of change on hand. This amount can be cut to almost minimum, since large sums of cash are no longer needed to purchase quarters from the bank or to be held in the safe to be used as a working bank. The token fund now becomes the bank your store draws upon. Since there's no real money in the coin box, the threat of break-ins is lessened considerably. Now that only tokens are in the boxes, the pressure to collect it is also reduced. You no longer have to wait to see what your actual receipts are for the collection period. Now, you know exactly what is taken in on a daily basis, because all income is known according to the amount of tokens sold. So what if you sold \$2,000 worth of tokens for the week and only collected \$1,800 from the coin boxes? \$2,000 is in-house. True, you might have a so-called accounts payable, but chances are that at least 5% of the outstanding units will not be redeemed.

The pressure of hold-ups is lessened, since making trips to and from the bank is almost unnecessary. Receipts are deposited on a daily basis and no large build-up of cash occurs in the store. And, of course, you're no longer making large deposits of weekly collections. You're less vulnerable to robbery, as such.

Dependence upon your bank to supply your quarter needs is also eliminated. That was important to us, because many times we have encountered a situation where the bank is in short supply of coin and, of course, on the weekends. This has, on occasion, presented a real problem and led to our increase in the change fund and, therefore, our exposure. Really, without change, you're literally out of business. Without large sums of money on the premises, it means that you can cut your robbery and hold-up insurance, as well. This can, realistically, reflect a significant amount, about 10% of the token dollar coverage.

Another plus, we feel, is the discouragement of petty theft

from employees. Since there's no money to be found, for example, on top of the cash box, there's no money to be put into the box or into the pocket of the employee.

Another area of direct advantage that many of you might consider more important than control is pricing. We all agree that what this country needs is a 35¢ token for the vending and game industry. The token can fill this requirement. All of us, I'm sure, are experiencing the shrinking of the bottom line; higher costs for new games, labor, parts, rent and what-have-you. Even though volume increases, perhaps, with the advent of terrific and dynamic new equipment, the profit structure is getting smaller. How can you raise your price per play when a machine cannot accept 30¢ or 35¢? 50¢ play has not proven entirely successful.

The answer? Tokens. Three for \$1. Too radical? Maybe so. Think about it. Where do we go from here.

Yet another token plus is slow periods in your game room. More tokens per dollar to promote interest. Promotion is another important instrument to be considered. I don't intend to go into all the various areas of this; I'll leave this to your imagination and innovation. This much I will say: It is easier to promote with tokens and a lot easier to control.

Now, let us turn the token over and consider the areas of disadvantage. After all the grief of conversion and hours of work, you come to the heart of the matter, the loss of getting your quarter on an impulse basis. The person who walks up to a game, reaches in his pocket, pulls out a quarter, deposits it in the machine, and it doesn't work. He never read the sign, "Please use tokens only." He never saw the signs all over the store, saying, "These machines use just fun tokens only." Instead, he becomes angry and walks out. You just lost the impulse quarter.

Many patrons will seek out an attendant to change a coin for a token, but many may not. There, my friends, lies the test. We should know better in about six to eight months down the road what we have accomplished. Are we doing less business at the expense of a more secure operation, or more business as the result of consumer education and ultimate acceptance? Time will tell. Thank you.

CHAIRMAN ROBBINS: Thank you, Murray Pennants, and I'm sure that that's a subject that many of you will want to submit questions or suggestions on at the conclusion of this presentation.

The next subject here is the "Proper Mix of Machines and Arcades." The two gentlemen who are going to handle this are Mel Getlan, first, and then Don Osborne. Mel, do you want to start on this?

MR. GETLAN: The topic, as one can imagine, is one that's varied and highly opinionated, so since Don and I are going to split this particular subject, I said I would throw out some very short and sweet phrases.

First, "Variety is the spice of life." The same thing goes with an arcade. You need a variety of equipment. An arcade is not like a specialty store or a mall or a department store. You have to be able to cater to everybody. I cannot recall any arcade in this country only handling one type of patron. You need a variety

of machines; pins, rifles, sports, mind-teasers, skill-coordination, merchandise machines, skee-ball; depending upon your operation, kiddie rides, the whole gamut. There's no one specific thing. There are percentages of various operators who feel what is best for them. Some of them are done scientifically; some are done just off-the-cuff. Don will go over some survey figures or percentages. I think if you ask all the operators if they have enough arcades, they'll tell you, yes.

There's no set number. You have to have new machines; you have to have used machines. There just aren't enough new machines around to supply everything. Not every new machine is going to be sure that you have 10¢ play, 25¢ play, 50¢ play. Give your customers a choice. Let them come in and see what the variety is and how much excitement they get.

Sometimes you hear a question about banking machines. Yes, in our years, we've always banked pinball machines, not necessarily 20 or 30 of them in a whole row, but we put them together. Now, as far as baseballs and video games, we like to split them up. So, when the customer is walking around, he'll see one section, pass it once and then go around again. You keep the circulation going in the arcade.

Also, sometimes, the physical size of a machine forces you to break up machines. You just can't always put sit-down driving games next to each other, because you have to start splitting the space between them. If you have a small arcade, and a lot of our arcades are very small, just squeeze everything in together so that that one particular sit-down game sticks out. Don't put one next to it, so that they have trouble getting in and out and you have two people jamming up in there.

Show them everything that you think is exciting and the cash box will tell you if you're right. Thank you. I'll turn it over to Don.

MR. OSBORNE: We were talking about the concept of the proper mix of games in arcades. It, of course, is an extremely varied subject. It relates to a more complex thing. As we were doing the survey and working with the survey data for this program, we found out that there are so many different types of arcades across the country, that there was very little consistency from one to the other. There were a few things that were similar, but there is such a wide variety.

Now, of course, in doing something meaningful in this area, the important thing is to try to hone in on those things which would be specifically important to everyone. That's a very difficult thing to do when you're talking about product mix.

I think one of the things that we can really identify as a misnomer, though, especially in the arcade business, is the theory that people will play anything, once they come into an arcade. I do believe, at one particular time, that that theory was probably believed by more people than it is today.

There still is the concept around of the transient location that you really don't have to have the newest and most up-to-date product to generate a good strong earning and collections. But we're finding more and more that this really is not valid. We found that when arcades change hands, people go in and up-grade

the location with new games and so forth, that there's a visible increase in the collections, and so the mix is an important thing.

What are the formulas? Are there formulas? As I travel around the country, and as we go around the country, I try to visit as many locations as possible. One of the things I do ask people is, "How do you arrive at the placement of games that you have? How do you know how many pins to put in? How many arcade pieces to put in? How many driving games?" Everybody will have a different formula. I asked one of the larger arcade's owners just this morning, "What is your approach?" He said, "I use 75% arcade pieces and 25% pins. If the arcade happens to be in a college community, I put in more pins. The arcade pieces generate more income for me than do the pins, typically."

I think we can lull ourselves into a real area of misconception if we believe that there is a formula that will fit anybody. Then, what is the answer to the effective mix of new games to used games, and pinball games to arcade games, and how many driving games and so forth? The only answer to that question is an accurate and effective assessment of the clientele by the arcade owner. You must know who your people are. If you're going to give them games that they're going to play, you have to know, first, what they like. It's exciting for us at Atari, because we spend a lot of our effort and dollars into research of the player. We find that many of the locations across the country are now becoming rather sophisticated in their attempts to find out who are the people who are coming through our doors. What do they do? What is their breakdown, in terms of their socio-economic background, their ethnic background? Are they blue-collar workers? Are they white-collar workers? What do they like to do? What do they like to play? We found out that there are some specific things and specific areas that people like. I really wouldn't go into them at this point, because they're going to be different for all of them.

One corporation which does not have arcades in its parks, has just gone through a computer analysis. This was tied into a promotion. I found out some very interesting things. They presently are going to be gearing up all their purchasing in the future according to what they found out from their clientele. The assessment of the clientele is going to give you the opportunity to efficiently structure your arcade to get a maximum experience out of it in terms of your own earning and in terms of participation that you have on the part of the players.

One of the things that is very important to recognize, too, is that this is a highly volatile industry. There are some very important things that are affecting it. One is the role of technology and how it enhances the competition between manufacturers in terms of the types of games that they build. We know today that many games that we have developed don't turn out to be as successful as we thought they might be. Because of technology and because of the competition, things have changed. The arcade owner has to keep pace with that. He has to be aware of it. He also has to be aware of the changes in the population. Carol Kantor is going to have some interesting information for you on the demographic studies. It's very interesting to know that with the change in the population, the bulk of our players are the younger age groups, then moving into an older age group.

This is a very vitally important question to all of us. What

we're saying is that you have to keep your finger on the pulse of the player. You have to be constantly assessing who he is and what he likes to do. You have to know who your players are.

I'll leave some statistics with you in terms of the research that we did. It was conducted with the IAAPA survey. The survey indicates the types that are used in the arcades today. The greatest bulk of them fall into the electro-mechanical arcade category, which represents 34% of the games in the locations of the arcades that were surveyed. Sixty-three arcades responded to the survey.

The next biggest area is the video area, which covers 24% of the total, followed by pinball with an almost even margin of 23%. Gun games at 15%, and other at 4%. The other would probably be foosball tables, air hockey, shuffleboard tables, and so forth.

We also surveyed the buying habits of the industry in that questionnaire for the past year. There was some interesting growth in certain areas. We see that electro-mechanical dropped down to 22%. There was a big jump in the videos at 34%. Pinball increased slightly to 28%; gun purchasing dropped to 5%. I think that it dropped because there wasn't a lot of the product available in the area last year. And 11% for other, which also showed that the group of people who were surveyed had no substantial increases in their purchasing last year. I think this shows the relationship between what was existing in the arcade and the growth pattern.

Along with that, we assessed how many games were purchased from the various manufacturers. We broke it down into the pinball and video areas. Pinball: Gottlieb was number one; followed by Bally, second; Atari, third; Williams, fourth; and Stern, fifth. Video: Atari, one; Midway, two; Seiko, three; Bally, four; Cinematronics, five.

The statistics gave us the average of the survey. The question to the individual arcade owner is, "Do I want to be average?" This 34% of a given product area doesn't really say what it should be for you.

The average doesn't figure when you're talking about the individual. You've got to relate to your business. You've got to find out who your clientele is, assess that clientele and organize your game mix according to what he's going to do, and how you're going to get him to put that quarter in the machine. Thank you.

CHAIRMAN ROBBINS: Not to stay on that subject, but we're asked constantly, as distributors, to lay out arcades for new people in the business, and people who are in the business who are going into an arcade ask for our suggestions. I think the point brought out that the mix for an arcade, for example, in an amusement park is going to be far different than the mix of an arcade in a mall. There will be some difference, also, in the mix of a mall arcade or, say a street arcade. But on the average, if someone came to Empire and asked, "What would you recommend for a 30-piece arcade in a mall or strip-center location?" Our list would include, on the average; 10 pins, 4 to 6 electro-mechanical games, as they're available; 4 sit-down games, because they seem to give you a maximum income; and about 10 mixed video games, new and used. That's about an average of what we'll give, depending upon the availability of equipment. We also like to always leave space for or recommend one or two large attractive show-pieces that would serve as a center attraction, for anybody coming into the arcade. Again,

this varies with what's available. But I thought you might be interested in knowing what a distributor would recommend to someone.

Subject three, now, is "Tournament Promotions in Arcades." The speaker is Jules Millman, who is president of Aladdin's Castle, one of the largest small arcade operators in America. Aladdin's Castle has been in the forefront in these promotions, especially in conjunction with the Bally pinball promotions, which have been very, very successful and which are going to be continued.

MR. MILLMAN: Last year, Bally Manufacturing, in the Aladdin's Castle division, sponsored the Bally Super-shooter contest on a nationwide basis. We were the first that we know of that attempted a pinball contest nationwide. We charged no entry fee for anyone to enter the contest. We charged no coin for anybody to play the game. The reason that we did this is because the I.R.S. has a ruling which pertains to pinball machines and that, as far as I know, does not pertain to foosball games, arcade games, etcetera. The I.R.S. ruling states that if you're charging a fee to play the game or entrance fee and you're giving away prizes, they said you'd have to buy a \$1,500 federal gambling tax stamp. As far as I know, it's only legal presently in the state of Nevada and the City of Atlantic City. Therefore, that put a burden on us for the way we would conduct our contest. We could conduct our contest in only 82 of our 129 locations, because there are certain areas where contests and giving prizes are not legal. For instance, in the state of Wisconsin, the District Attorney said that we weren't allowed to give it, even for free. So, we were only able to give our contest where pinballs were legal and where the giving away of prizes were legal.

Of course, many of you are familiar with the legalities and antiquated ordinances for your industry. Anyway, we made many mistakes during our first tournament. All our advertising was done on a local level. We had posters on college campuses. We furnished store managers with the press kits from our national promotion company in New York. We gave promotion kits to our managers to distribute them to the mass media. Despite our mistakes, the publicity we received was beyond expectations. We had front-page coverage in many newspapers in many cities. We had radio and tv coverage. In Louisville, Kentucky, they actually sent the media to Chicago to the finals to cover a 12-year-old contestant who was entered in the finals. The finals were at the Playboy Hotel in Chicago. We also had national media coverage at the finals in Sports Illustrated and Playboy Magazine. The A.P. and U.P.I. wire services were there. The ABC news was there. We were featured on the "Today Show" and various syndicated shows.

In any event, all the publicity we received was absolutely great and, as you know, good publicity in our business has been lacking. In fact, we had each of our managers file all of the newspaper clippings in their local town and send them to our office. We had our P.R. firm compile those into a book which, right now, is approximately 100 pages. If we have a town where one of us is trying to get an arcade and they have a law where pinballs are illegal, we show them that nearly every city and nearly every suburb in the country is running a national pinball tournament. If I was a member of that city council, I'd probably open my eyes. It could be a valuable sales tool for all of us.

The winner of our contest was a young fellow by the name of Ken Langsford, from Columbus, Georgia. He's 19 years old. And

for his efforts in the contest, he won the pinball machine that he was playing on and, also, a Datsun 280Z. Numerous people have used him in promotions, not only in our company, but competitors of ours. They pay his expenses and a few dollars a day. Our company has used him for a promotion. For instance, when they have a grand-opening of one of our stores, they have a contest to beat the champ. Somebody who would beat him would, possibly, get a button that says, "I Beat the Champ," or an "I Beat the Champ" t-shirt. Of the 25 people who he would play, about 1 out of 25 were able to beat him, which is really significant, because it really shows that pinball is a game of skill and not a game of chance, like the I.R.S. believes. This is something that with all of our help and the Association's help, that possibly we can get changed, and then we can actually charge for the contests.

Critics of our super-shooter contest claim that our tournament did not represent a realistic representation of the pinball industry, because it was held only in Aladdin's Castle stores, in only 82 locations. I agree. Some also say that all the machines were Bally machines and that the contestants did not get the feel of the peculiarities of other manufacturer's machines, such as Stern, Williams, etcetera, and I also agree with that. But since the first super-shooter contest was paid for by Bally Manufacturing at a cost of over \$400,000, Bally President Bill O'Donnell saw no reason whatsoever why the contest shouldn't be run just on Bally machines and in Bally stores, and I think Bally stockholders would agree.

However, the tournament did help promote all of us in this room. It also helped promote other pinball manufacturers. It helped promote Atari machines and Gottlieb and Williams machines. It helped promote the whole industry.

The super-shooter and the outstanding follow-up publicity was another step in increasing public awareness that pinball is a true sport and is not a gaming device or is associated with it.

All the intangibles can't be mentioned. Every person in this room benefits from a promotion of this magnitude. We're going to have another super-shooter tournament. Where will we have it and when will we have it? The exact date hasn't been established, yet. Whether or not we have another one really depends upon people like all of us who are here in this room. If we do have it, we will run it quite differently from our first contest.

First of all, we would open it up to all arcade operators who met the qualifications. In other words, anybody that had a high-class arcade that was in a shopping mall or in a street location or an amusement park, would be welcome to enter it. We would have national advertising, and also on a local level, but mainly national. The campaign would run full-page ads in magazines such as People, Playboy, Rolling Stone; 30 second spots on the giant tv shows, such as "Saturday Night Live," "The Today Show," "Midnight Special." We would also attempt to get a national co-sponsor, such as Kinney Shoes, Radio Shack, or maybe a retail chain like The Gap, which sells jeans and products to many of the same customers who we have. Just think what it would be like if you saw a full-page ad in People Magazine saying, "Go to your local Gap store and find out all about the 'Super-Shooter 2' contest, and receive your entry blank there." That would be phenomenal for somebody like The Gap, who would also participate in prizes and help alleviate the cost of the contest.

Some of the ideas that we have for running a second contest is that we'd run it for seven consecutive days and all the contestants would be able to enter as many times as they like. They would have to go to the end of the line after they played each game. At the end of the seven days, the five highest scores would be eligible to compete in a play-off to determine the winner for that particular location. The play-off would probably take place on the following Saturday and all of the contestants in each local and regional final would receive prizes somewhere in the \$500 to \$1,000 range.

The play-offs would be very exciting, as we found out from Aladdin's Castle. In many of our malls, they'll let us have the play-offs in the grand court in the center of the mall. After all, what landlord, whether you have a street location or whatever, wouldn't like to be part of a national contest which is advertised nationally in the mass media. Once again, we're not talking about a tournament run in only 82 locations, like last year, but, possibly, 300 and, eventually, maybe we can even get up to 1,000.

I would advise the following steps to be taken as a starter. I suggest that we form a Pinball Contest Association, whose sole purpose would be the running of a national pinball contest. This Association would be subsidized for the first one or two years by the major manufacturers on the following basis. In fact, I spoke to one manufacturer already, besides Bally, who would be agreeable. In other words, each manufacturer would pay his share, based on the number of pinballs manufactured the year before and sold. Smaller pinball manufacturers like Stroh would not be paying the same price as Bally or Gottlieb. The Association could be a non-profit organization whose funds would ultimately be used to promote new legislation in Congress and, possibly, the operators would be charged a fee for each location that we would use in the tournament.

The Association would coordinate all contest activities such as the printing of posters, instructions, press kits for your local media, entry blanks, etcetera. The Association could take a booth next year at the convention for soliciting operators who are interested in the tournament. There would be a fee for each amusement center or each arcade. But remember, the fee would include the awarding of prizes on a local level. From your own arcade, these prizes could have a value of from \$500 to \$1,000 and, maybe, even more, depending on whether we get a national co-sponsor.

I believe that this preceding proposal is feasible. It could be a tremendous boon to our industry. A yearly tournament which, conceivably, two to three million people could enter could afford our industry an annual major event in which a national champion is crowned, and all pinballers would aspire to the World Series of Pinball. It can become a reality, but it needs your help. It needs the help of everybody in this room. A lot of hard work will be required, but then the amusement industry could truly have a public relations vehicle. Our unique business must expand and make this luxury a reality. Thank you.

CHAIRMAN ROBBINS: At various factories during the year, I have sales meetings with distributors. At some of these meetings, we've used some very interesting statistics that have helped us conduct our business and improve it. I felt that this year, you might be interested in seeing some of those statistics.

We've asked Ms. Carol Kantor from Atari, assisted by Mr. Osborne, to give a presentation on the results of some of their surveys, and we asked them to combine them with some of the results received by IAAPA on their surveys.

MS. KANTOR: Thank you, Joe. Before I get into our research, I wanted to tell you a little bit about what marketing services that Atari does. Marketing services, in addition to research, does all the promotion, public relations, for the coin-op division. Some of the things that we do for you is to print a monthly newsletter called, "Coin Connection." What it mainly does is it gives you an idea of what our new products are. It gives you promotion ideas that you can use and gives service hints and some general news information about the industry. Also, when we get letters from operators with good ideas, we print those as well.

Another thing we do in the marketing service group, is we collect positive publicity. We have a clipping service, and we get all kinds of clippings on games and arcades. We've gotten quite a few of the clippings that Jules has mentioned. A lot of you get coverage in local magazines and newspapers. We have those from cities all over the country. We've compiled these together and will make them available to you upon request. You can have a copy of the positive publicity package for use. If you're opening up a new location or just for general use of your own, to get some more P.R. ideas, just talk to our offices and we'll gladly send you one.

On Atari's research effort, we feel that it is very important for us to learn as much as possible as we can about our marketplace, and that includes the distributors, our operators, and the players in the market. We also do research on all our new products. We try to find out what the collections are going to be. We try to make our games the best games possible for your marketplace. We also try to determine what the player's attitude is going to be toward our new games, and we use that in our product development. We attempt to make our games exactly what the players want, prior to bringing them to you and making them available.

I'm going to present a few of the research findings which, I feel, would have significant interest to you as an arcade operator. The two surveys that we have used for this presentation are, first, the IAAPA survey, which has a small sample size of 63 people. Many of the findings were quite interesting and appropriate. Many of you responded to Atari's survey. I thank you, now, personally, for responding to all of our surveys, because we do learn a lot from them. Also, we had over 500 operators of all types and sizes respond to it, and we did get some very good information.

First of all, on the IAAPA survey the operators were asked, "What did they feel were the important features of their arcade?" These were the four that came out most often mentioned: Variety and types of games; this was discussed in the previous topic by Don and Mel. Appeal to all ages; a very important factor which I'll discuss a little bit later when I talk about population changes. Cleanliness of the arcade; I think you'll all agree that a clean arcade attracts a lot more people and keeps them there. Games in good working order; I think everybody agrees that in all the surveys we've ever done, we've found that service and keeping the games in good working order is a number one concern of operators.

In the Atari survey that we did, we asked the question, "How

many people attended our Atari service school in the past year or in the past two years?" 43.4% of the operators in the United States did go to an Atari service school; 37.3% said they did not. 19% said that they were not aware of any Atari service schools. For those 19% and however many of you are here, I want to let you know a little bit about our service schools. Our service schools are held throughout the world. There are approximately 40 service schools per year, and they are set up through the Atari distributors. If you want more information on when our service schools are going to be held near you or how you can encourage a service school to be held near you, you can do one of two things: You can either talk to the Atari distributor in your area or you can call our customer service number and talk to the people there and encourage them. Tell them that you're interested and they'll give you the schedule. The schedule of the Atari service schools are printed in the "Coin Connection." They are also printed in the trade media.

In the survey we tried to pull out bits and pieces that we thought you'd be interested in, like noticing the changes in pinball pricing, and the electro-mechanical games to the solid state games. There's been a very significant change in the direction of solid state games in the pinball game area. It seems that operators were able to use that as an element to increase the pricing on their games in the arcades. You'll notice that the vast majority of the electro-mechanical games are priced at 25¢ per two plays, currently. We found that the majority of solid state games is 25¢ for one play and 50¢ for three, but, then, again, you'll see that the 25¢ per play is quite larger than it has been in the past. Talking about the number of balls per play, the 3-ball game and the 5-ball game on the electro-mechanical are pretty well evenly split. But when you get to the solid state games from the electro-mechanical, you see that the 3-ball game is now beginning to become more and more accepted with the largest percentage of the games on the market--32% for 3-ball play, at 25¢ for one play, 50¢ for three.

About a year ago we had a survey done by an independent research house of the total population of 13 years and older. We found that this was very, very interesting. We asked, "When was the last time you played a video or pinball game," and from this we got information about our player market--how many people in the population are our players. All the numbers here have been rounded to the nearest whole percentage. Six percent of the total population over 13 are in our regular player market. That means that of all the people over 13, 6% of them play games approximately once or more a week. You have your occasional players. I don't have the exact number. Infrequent players are not that big a deal. Thirty-four percent of the people are past-players. They play, but it was over a year ago when they last played. Twenty-nine percent of the adult population, or the population over 13, have never played a coin-operated game. If you take 6% of the population and divide them out by age, you find that the vast majority of them are in the 13-to-17 year old age bracket. The next is 18-to-35. I think we all knew that. We didn't find that too much of a surprise. We typically say that the target audience of our coin-operated games is primarily the 14-to-21 year-old age group. This, however, is going to change. The reason I say that is because when you look at the U.S. Census information, you find that the 14-to-21 year-old age group in the next 10 years, by 1990, is going to decline by about 8,000,000 people. This is a significant thing for you, the arcade people and the amusement park people.

A lot of other industries are going to be affected by it. Ten years maybe seems like a long time. Long-range planning is, really, not something that we do regularly in this industry. We have to start thinking about ways that we can take advantage of it, instead of letting it be to our disadvantage.

When you look at what areas are increasing, it's the 35-to-44 age group that's going to be making the most drastic increase over the next ten years. What can we do to help ourselves increase our market, knowing that this information is against us, as far as our target of a 14-to-21 year-old target audience? There are three approaches.

The main thing to do is to put our efforts into increasing the frequency and the amount of play into the youth player market that we have now. The second approach is to bring new players into the market from the 63% of not-played-since-a-year-ago and never-played. The third approach is to figure out ways of appealing to the older age groups, so the population shift will be to our advantage, like in the 35-to-44 age group and, even 45 and older.

I'm not going to go into a lot of suggestions about how to go about doing this. I'm just trying to make you aware of the situation, so that you will start thinking about it in terms of planning over the next 10 years.

Coca-Cola, however, did some research on this. Their target audience, 10 years ago, is exactly what our target audience is today. What they found was that as people got older, they continued to use their product even more. The quantity of Coke used in the older age group increased significantly. We need to think about this in our industry, as well. We cannot forget the 14-to-21 year-olds in there now. By the time they reach the 35-to-45 age group, we want them to keep on playing. We need to look into the marketing efforts that are attempting to keep these people in our marketplace.

Manufacturers are beginning to plan our games and beginning to think about our games so that they will appeal to a wider variety of age groups. They're looking at this very closely, now. I think the operators should begin to plan marketing effort promotions, also, to appeal to the older groups, as well as the youth-oriented market. Thank you very much.

CHAIRMAN ROBBINS: Thank you, Carol. I knew that Carol's presentation at the meeting would be very informative to us.

When we had the formulating meeting for this workshop, we had a gentleman who said, "Okay, now, I've heard the new surveys. I've listened to the kinds of machines you've put in arcades and I've been to these workshops. That's okay, but why don't we get down to what the arcade owner really wants to hear?" He's going to present the subjects that you really came to hear and get help with. Sol Tabb.

MR. TABB: Thank you very much. First, how do you really pick a location, outside of a mall or a transit area? Is there any other type of location that you know about? Seashores, you operate in Daytona and other places like that, is there any other place that really is more accessible besides malls and street locations? If there is, please tell a few people.

Secondly, which is very important, how do we get good help and, above all, how do we keep them honest? Do we take polygraph tests or do we test them out by putting various coins in our boxes? How do we choose to keep our employees honest and, also, happy at the same time?

If the pinball player has got one for a quarter, how much do you gain if you give him one for a quarter or three for a half, or can you price it any other way? How do you advertise in slack times, or do you do any advertising? Do you do any type of promotion at all, or do you just wait for people to come in from the street?

We know that in certain times in our business you have to buy a certain amount of parts and service. How much of it do you actually spend on service, for machines, for equipment, for every \$100,000 you take in? Do you know your percentages on what you spend? Which of your machines do you dispose of in an arcade? Is it a year old? Do you go by meters? How do you dispose of your machines?

Do you know how to set up new pinballs? Do you set them up at liberal, normal, conservative? How many free plays do you give? Do you buy any foreign equipment? If you own any arcades, do you use any of your pieces in a different manner? Do you lease them out?

What percentage of video, what percentage of arcades, what percentage of pinballs does your total income come up to? Above all, what type of promotion do you use in your arcade?

These are some of the questions that I would like to throw to you people. What are some of your answers?

CHAIRMAN ROBBINS: Thank you very much, Sol. I thought that would strike home. That concludes our formal presentation. Now, I would like to go into the question-and-answer period. It might be interesting here, bearing in mind Sol's presentation and I think we can boil it down to the following categories: How do you keep your employees honest? How do you get good employees? The advertising and promotion in an arcade; proper operation procedures. I want to call, first, on Mr. Hommerson.

MR. HOMMERSON: I think the problem Mr. Sol has spelled out is rather interesting. On the other hand, you could generalize this problem. There is a big difference, of course, from location to location on how to approach it.

If you ask me how we do it, we've only a few collectors that go around and, furthermore, we keep the cash boxes closed with padlocks. I think that's the best way to guard it.

On the other hand, also, in locations that are further away from the head office, we work on the meters. As you know, working on the meters can give you problems, also. I think that the manufacturers could pay a little more attention as to how to secure the cash boxes. We think that if they could pay more attention to that problem, it would be a great help. Sometimes, I'm really surprised that with new equipment we see how poorly the cash boxes are constructed.

The only thing about promotion is that it depends so much on

local consideration. It might be a street location and, especially in the center of the city. They really don't need that much promotion, because when you have a large group of people around, you have many people passing by. Keeping the people there and everything clean and in working order, you'll have good business. And the main thing is, of course, you have to have good locations, like we have on the seaside.

During the winter, we do some promotion, especially for the kids, and it really draws a lot of people to the arcades. It gives the impression of what it should be, a family arcade. That is very important, because if you approach all ages, I think you will get the different atmosphere in the arcade, instead of only attracting the young people.

I think the last thing he talked about is the percentage of the investment. This could be different in Europe, because the results are different and the investment and price-setting. You have to consider the actual cost of importing duties and so on. I couldn't answer the question very well. I think that, also, varies, due to the circumstances.

And, of course, the problem of the games, with all respect to the manufacturers, when they get to the market and, in quite large numbers, or quantities and they'll trouble you with a lot of machines and all this makes it more difficult. On the other hand, I wouldn't say that it's good to stop doing it, because innovation and new ideas is the basic thing of our business. Thank you.

CHAIRMAN ROBBINS: Thank you very much, Rudy. Incidentally, one of our Atari surveys shows that 70% of the operators and arcade owners who responded feel that promotions help increase collections. That's surely the bottom line.

Let's have anyone who would like to ask questions or has suggestions on any of these subjects presented. Mr. Grant, from Antwerp.

MR. GRANT: I'd like to ask a question about the token operations of your arcades. How do you keep your employees honest? Do they ever sell tokens on the side to friends or other people that come in at a discount rate?

MR. PENNANTS: As I said at the outset, it's a very new concept. We have our problems. It's like any employee. If he was dishonest before, he would be dishonest now.

MR. GRANT: I've been working this way for the last 10 years. There are a number of machines in our arcades that are token-in, token-out. Just before I came to the states a few weeks ago, I was called to the local police station. I was told that some people were stealing in our arcade. I said, "That's news to me. That couldn't be possible." It seems that they were selling tokens. Most of the token machines that are made, are made very poorly. I'm talking about cash boxes and so forth. I was confounded by it.

CHAIRMAN ROBBINS: Incidentally, Henry operates two arcades on the beach in Belgium. How many machines do you have in your large arcade?

MR. GRANT: We've got 400 machines in the large arcade, which is

on the coast of the North Sea, in Belgium.

CHAIRMAN ROBBINS: Don Osborne has an answer to your question.

MR. OSBORNE: Probably, the largest use of tokens in the United States, exclusively, is Seiko. In terms of measuring whether or not there is any theft involved with their tokens, there are formulas that can be arranged by measuring the amount of money in the token dispensers and so forth, the amount of tokens that arrive in the games on a daily basis. Through a mathematical formula, you can put up a standard deviation that would show if there is any pilfering going on.

In talking about this subject with the major arcade owners in the area around the country here, Nickels and Dimes, owned by Craig Singer of Dallas, they attempted to test tokens and found out at one location, I think it was at Cumberland, they had a 15% loss rate, which they couldn't really explain. They went through several polygraph tests with the personnel which showed no dishonesty. It was the people who were collecting the tokens, so Seiko has worked out a formula that they feel comfortable with.

CHAIRMAN ROBBINS: Jules, do you have a comment on that?

MR. MILLMAN: As we all discussed, the token transformation is something that we all feel is inevitable. But, really, none of us, including myself, is really qualified and has all the bugs worked out. We have one location out of 129 where we're using the tokens. We're experimenting around, but we're leaning towards using the roll-dollar bill changer that accepts ones and fives. It's easily convertible to dispense tokens. We're using this as the sole means of selling tokens. In other words, if someone wants to buy tokens, he has to go to the dollar-bill changer. If he has a quarter, he puts the quarter in the machine and gets one token out. By doing it in this method, the main thing the attendant would do is, if somebody wanted to play one game, and someone gave him two dimes and a nickel, he would give them a quarter and instruct them to go to the changer. We have given instructions to our attendants not to sell any tokens. If he is doing it on the side, it would be very easy for one of our supervisors to come in and spot it.

Might I say that it's in a very early experimental stage, but it's almost inevitable for a lot of other reasons. In our company, we probably have \$200,000 tied up in dollar-bill changers, and by going to tokens, we could probably reduce this to \$20,000. This, alone, makes it something inevitable for our operation, I think.

CHAIRMAN ROBBINS: Thank you. Sol, would you like to have a word on that?

MR. TABB: This is, in a lot of ways, like skinning the cat, and we found that the best way to skin the cat is among the employees themselves. We try to give them a bonus over a certain amount. We've told them, if there's any stealing, it comes out of their bread-and-butter, so be careful. It's surprising how one employee keeps another employee honest. If there's money at stake, we found that works in many a case.

CHAIRMAN ROBBINS: Kenneth Anderson, from Game Plan.

MR. ANDERSON: Thank you. I just want to address myself to a situation that we've come across. We tested about 400 of our games. We make a small, sit-down pinball game and we put them in arcades in New Orleans and in England, and, so far, they've always been the number one or number two game in an arcade. I don't know if any of you have tested any of the rotations in the midways and in your arcades. I just wanted to say that this game is something that, maybe, you could look at. It's a new type of product.

CHAIRMAN ROBBINS: Thank you, Kenneth. Who else has a question? Mr. Eddie Buzzberg.

MR. BUZZBERG: You mentioned that sit-down games maximizes earnings. Why is that?

CHAIRMAN ROBBINS: Well, it's been our experience that for some reason, the sit-down games will take in the most money in an arcade, and it's amazing. For example, let me give you a perfect example. Atari made a game called "Night-Rider" which is a driving game in an upright version. It did fairly well. It's a good game but nothing exciting. But then they decided, just experimentally, to put it in a flashy, plastic sit-down cabinet. The dramatic difference in the take was amazing. You just can't believe the difference in the income between the stand-up version and the sit-down version. And that really tells us a lesson. I don't want to be comparing one manufacturer to another, but without any question, I think the arcade owner will tell you that the sit-down game of the same variety will take in more money than the stand-up game.

MR. BUZZBERG: I have a question for Ms. Kantor. Do you plan to make your surveys more readily available to people in the business?

MS. KANTOR: As I said, we'll be taking some of the findings from our surveys and have them printed in the "Coin Connection." This gets the information to the operator. Obviously, we have taken a lot of time and effort to do the survey and get the response of all the operators, and there is some information that we want to keep for Atari. The information that we feel will benefit the operating group and our customers, we will make available to those people.

MR. BUZZBERG: One more question for Jules Millman. Is there a time element in trying to schedule the tournaments, so that they should be run, say, within a week, two weeks, three weeks, or do you give any restraints on this scheduling?

MR. MILLMAN: Well, one of the mistakes we made during the first tournament was that we had it once a week on a specific day, which was usually an off-day, like Wednesday. We had it once a week for six weeks. Now, we decided this time that it would be more exciting to have it every day for seven days, then have the final play-offs for that particular arcade, a week later. Then for the tournaments, the finals come to Chicago.

MR. BUZZBERG: So, it's a two-week time period?

MR. MILLMAN: Well, it's just an idea, because the once-a-week thing for six or seven weeks was just too drawn out.

CHAIRMAN ROBBINS: Thank you, Jules. Mr. Rose, the owner of an outstanding arcade in Miami.

MR. ROSE: I'm just a one arcade owner. I want to know what's the consensus of the large operators. What games have you purchased from the show? In other words, what are the winners? Which are the ones that we should buy?

CHAIRMAN ROBBINS: You know, I'd like to answer that, really.

From the standpoint of the distributor, with few exceptions, when you sell to an arcade owner, you want him to come back to you, just like any other operator. If you stick him with a bad game, he'll remember it and you'll be hearing about it, so the average distributor is pretty careful today.

Jack Waterman from Wisconsin Dells, Wisconsin. Would you like to answer that question, please, Jack? How do you decide what games you buy after you come to the shows? How do you determine what to buy?

MR. WATERMAN: First of all, we came all the way down here from Wisconsin. Sometimes I think the only purpose I have in running the arcades is to keep the distributors solvent. It seems all the money ends up going to the distributors and that is one consideration I always have when I'm buying a piece of equipment. Will the piece bring really good money throughout the year, and is it a piece that's not going to be a fad? Will I be able to take in good money with it two years from now, three years from now? I think what you wanted, of course, is what's going to be good for the winter season, right now.

Our arcades are seasonal, so we won't be opening up again until May, so we're going to be asking those same questions next March or April. We rely heavily on the distributors, who are not going to stick me or any of the other people, for fear that we will be lost to him in the future. Also, we have other friends who are also in the arcade business that operate college locations. They're very big during the winter months. We ask them what is big for them. So, we just ask other people in the trade, like you're doing just now.

I think you have him sent to the wrong person, Joe, for what's hot right now.

CHAIRMAN ROBBINS: Dick, would you like to comment on that, please?

MR. KUBACH: I represent a segment of the industry that has the answer to all the questions that have been raised today. I represent all of the local vendors and all of the local suppliers who want to put games in your establishment on a percentage basis. What do we buy? We buy everything. We have to buy everything. We put it out and we see what makes the money and then we try to load up on those pieces. You've heard questions raised about the mix - how do you decide what the mix ought to be? What do you do about salvaging your old equipment? What do you do about getting into this stuff that's going to earn more money for you? My answer is that you go to your local guy and you say to him, "This is what I want. This is what I want to get rid of." And he'll take off your hands what's no longer producing because it's not producing for him, either. He'll give you a mix, which is changeable, depending upon what goes well in your arcade. It's a fluctuating, changeable thing. And if he's a good supplier, he'll give you frequent rotations. He'll give you a shot at all the latest stuff and take that tremendous burden of investing your capital off your

back. Wouldn't that solve everything?

CHAIRMAN ROBBINS: Thank you.

MR. GETLAN: We have a rule-of-thumb in our company. First, we take almost every machine that comes in that we don't see at the convention, and we try out one, two, or three of them.

MR. TABB: This has been a bone of contention for me for sometime. You know that these pieces are field-tested for a long time before you and I know about them. It's just too bad we don't get a report on those field-testing pieces. Now, I don't know how many in this room field-test pieces, but those that do should really inform the other operators of arcades about what these pieces really do. It's too bad that this information isn't readily available and passed down to us.

CHAIRMAN ROBBINS: Does anybody want to comment on that?

A VOICE: I think if they did that many times, a lot of the manufacturers would go broke.

CHAIRMAN ROBBINS: Mr. Anderson?

MR. ANDERSON: Joe, we just finished testing 400 games and the most difficult thing for a manufacturer is getting an operator to give him the information back. It's a difficult thing. I know that it may sound a little silly, but, believe me, I've just gone through it. It is a terrible thing to address yourself to the problem of having that man get the information that you need back to you. We, finally, did the job, but it was extremely expensive and I don't know the answer. I just know that it becomes a very big problem.

CHAIRMAN ROBBINS: Mr. Peter Andrese, from Melbourne.

MR. ANDRESE: Good afternoon. Peter Andrese is my name. I'd like to speak about the tournament to be held and the duration contest. I'll tell you about our tournament.

When we started our tournament, we came to the conclusion that we could not give away pinball machines, because it was illegal in our state. We, also, couldn't give away prizes, because it too was illegal in our state. To get out of this problem, we decided to do it for a charitable organization. This time, we did it for a youth program. Next time, we'll do it for the Heart Foundation.

We called the local mayor to open up the tournament. We had a politician in there. We had the media, we had the television. We had the radio there everyday. We sent telegrams overseas to the guilds to let them know the names of the contestants, the ones that could be winning, possibly, and we received telexes from all over the world. It was a tremendous amount of publicity and, also, they read those telegrams right on the radio. Congratulations came from Sweden, Japan, from Bally Corporation, from Stern, whoever sent us telegrams to tell us they were happy we were doing the contest.

The biggest publicity possible is when you do something for a health organization, like the Heart Foundation. If you have a contest and it is for the benefit of the sick, you can make a tok-

en entrance of each individual person. You would have the benefit of that person being sponsored, wearing t-shirts by local manufacturers, but, possibly, people interested in having their chocolates on television or, even Coca-Cola or any one of those others. As long as it is for a sickness organization, you will see that the cooperation is absolutely astronomical, far more than we ever anticipated than when we started the competition.

I think that we have the benefit of knowing the mistakes we made for the future. I'd like to point out some of the mistakes.

We didn't take enough time in publicizing our tournament. I was doing it because I was trying to beat the legislation that should have come, today, that pinball machines would be illegal in my state. It would mean that the location would have to have a permit and the council would not give a permit. So we tried to hurry up and get the competition before the next session.

Another thing that we made a mistake on was the hours to beat was 181 hours and the people who started to play started on the 22nd of September. The first fellow fell out at 26 hours and the second fellow fell out 28 hours. The third fell out at 135 hours, the fourth fell out at 140 hours, and the fifth fell out at 163. The sixth one made 190 hours, and he beat the world championship by nine hours.

Now, that was, of course, very big, but I think it was a huge mistake on my company's part, because we should have told them to stop at 182, in case they wanted to get better next time and save an extra day on the legs.

If we have the competition again, and there are a lot of people in the same business all over the world, we could come together and say, "All right. Let's have a competition in Italy and another in France and another in Spain." The winner of this particular type of endurance contest can be so astronomically big that he would feel like a Cassius Clay, but build it up two or three times an hour at a time, so the next one would go for 191 hours, and somebody else comes in at 192 and somebody else at 193. That way we would show the world that the competition of pinball is going ahead non-stop.

CHAIRMAN ROBBINS: Thank you very, very much. I want to point out in his presentation that that's a marathon contest. It's quite different from the contests that we've held here. It would probably lead to some controversy. I'm not too sure that with the kind of puritanical attitude that we have in the United States today, that we would have too much success with that, as you have had in Australia.

MR. ANDRESE: When I was in New York, they were talking about having one.

CHAIRMAN ROBBINS: I've never seen the figures on the survey on what the reaction was to that tournament. Carol, do you want to comment on that?

MS. KANTOR: First of all, I'd like to comment on the fact that it did recognize the advantages of going with a charitable organization. I have a suggestion for you and others, too, who are interested in doing any type of tournament, whether it's a standard tournament or an endurance tournament. If you want to get the

best publicity out of it, go with a very large charity organization. Ask them to send out invitations to your event to their mailing list. They probably have a very, very large mailing list of the community in which you are in. They'll send out the invitations for you, knowing that the money that will come in for it, even if it's just a night at the arcade for the local charity. If they send out the invitations, it will bring in a lot more people to your location for that promotion event. It will, also, bring in more money for the charity. You can work out the split any way you want to. It will introduce many new people to your arcade.

The positive side of a marathon is that you get a lot of good publicity. The negative side of a marathon is that it's very hard on the people that are trying to do it. But you do get good publicity out of it. It has been done successfully by Atari, by Randy Martin. Some of you read about the endurance thing. It got a lot of publicity. It was, also, done in coordination with a charity event. The promotions are good, but bring your charity into it. It's a very, very good way of doing it.

MR. MILLMAN: I just question the idea of having an endurance contest here. We probably have people who could do it for 192 hours, but how many machines actually have the endurance to last 192 hours?

The idea of a charity behind it is a good idea. I've come up with the idea of sponsoring the next contest with a number of charities, and get each contestant to name his own disease for the pinball contest.

CHAIRMAN ROBBINS: Anybody else?

MR. MILLER: I'm Haley Miller, from Norfolk, Virginia. In relation to this contest, I was wondering, perhaps, if it could be expanded for boosting business in off-season. You could, perhaps, take a school-a-week kind of thing or a school-a-month with cumulative points, or run some contest where, someday a certain hour during the day, the winners could come in and play for free, or something. Maybe run it on an annual basis, with a championship week where the monthly winners can, then, participate on that level. That would be a national level, and you would have the winners coming into that, so you could tailor the market to the individual needs. You could have banners stating, "This Game Room Is Okayed to Participate In This Contest," on an annual basis, so that you have more individualized answers to needs.

CHAIRMAN ROBBINS: Does anybody care to comment on that suggestion? Henry?

MR. GRANT: Joe, I'd like to ask one question. Are you running promotions to earn more money, or are you running promotions because the arcade business isn't doing as well as it should be?

CHAIRMAN ROBBINS: I think that would require a combination answer. Promotions are, primarily, intended to earn more money, to better the industry and for better public relations, publicity and what-have-you. Those are two purposes, at least. Does anybody have a question?

A VOICE: Can you please tell me what the industry's criteria for establishing lease or concessionaire percentage is?

CHAIRMAN ROBBINS: What do you mean by a lease or concessionaire percentage? Do you mean, if an arcade owner goes into a park or something, what percentage does he give and under what circumstances?

A VOICE: Yes. We just bought an amusement park and we don't know anything.

CHAIRMAN ROBBINS: Okay. I'm going to call on a young fellow sitting right near you in the audience, by the name of Ron Getlan from Amusement Consultants.

MR. GETLAN: In answer to your question, the individual arcade operator coming to you can propose many different types of deals. One, depending upon one of the most important things, is the length of lease; whether or not the arcade building is there; who's supplying the facility. There are many, many aspects. You see, you are asking a percentage and a percentage can vary, based upon who's paying for the electricity, the building, who's constructing the building, who's going to pay for the help. We would have to know more about the type of location you're talking about. There are many, many, many different formulas that have been established in the industry, based upon what type of location it is. Where there is no set formula, there are rules-of-thumb for street operations, malls, amusement parks. People always have stories where this operator is paying 70% or 80%, but the point is, 70% of what? I would rather have a lower percentage of a higher gross or a real gross than someone painting fantastic paid percentages to the landlord when they're not real.

You're better off going to an established operator, someone who's going to give you the right type of equipment than some operator who's going to come in and give you antiquated equipment that's not going to earn any money. He'll say, "Oh, I'll give you a large percentage." Percentage of what? That's the important thing.

CHAIRMAN ROBBINS: Thank you. I'd like to add something there. There is no specific formula, because each location and each arcade will differ. But let me just add one word of advice, if I might. Stay with an established operator who comes with good references and has been in this business a long time. He has been in the business a long time, and he has been successful because of the locations. Stay with him. He makes money, but he sees to it that his customers make money and that's why he's still in business. Verify the reputation of the person who you do business with. Don't go with a new one or a fly-by-night. Go with a fellow who is established and you won't go wrong, no matter who you pick. Thank you.

MR. JOHNSON: Jack Johnson from San Antonio. The question was asked earlier, "How do you know which games are good?" Most of us have equipment that are of no use any longer. What do you do with them?

First of all, I don't know what the manufacturers use for as a gauge of a good machine, but fortunately, in an amusement park, we have the advantage of being a seasonal business. If a machine hits the market after the AMA and we don't open until March, at least there's a lot of machines out already. So, I take my two kids who are 11 and 13 and I say, "Play the machines." They know what appeals to them.

In our type of operation we get that age group, and high school, so it makes a big difference.

On the point of getting rid of some of the equipment that we had, you can donate some equipment to a Boys' Club, which is a tax write-off. You can, also, go to any interior design or office design company, and they'll be glad to take some equipment off your hands, because they are looking for things in the nostalgia era. You can, also, go to a medical association, doctors' offices, dentists' offices and lawyers' offices where people have to stay for a long time. They will, also, take certain machines off your hands, so that they will have something for the people to do. Thank you.

CHAIRMAN ROBBINS: Thank you. Asking kids to test the games can be kind of dangerous. Carol?

MS. KANTOR: On the other hand, I think that this gentleman has a very good idea. One of the processes that Atari uses to determine what is good and what is not so good about a game is to go out and ask the players directly. One way that you can find out if the players are going to enjoy the game is to go into a location, pick a game that you're interested in, and ask the players, "What do you like about it? What don't you like about it?" Or you can ask them which games they prefer. Ask any of the players whether they like a game or not. It's a very good way to find out whether it's going to make good money or if you can't get a collection for it. That's exactly what Atari does. It's what we do in our product development process and we learn that the players are actually the experts, because they're the ones that put the quarters in the games.

CHAIRMAN ROBBINS: I think you'll find that today and in the future, that the testing of games has become more prevalent. Now, they are tested rather consistently and well. There was a time when there was never a test for an arcade piece, but today, manufacturers have become much more cognizant of this and they are testing games whenever they can, for as long as they can. Atari has led the way with these surveys and they have done a magnificent job. Other manufacturers are following suit and putting in personnel like Carol and her people to really get a picture of the game before they release it and flood the industry with a bad game, which causes everybody else a lot of problems.

Yes, sir?

MR. CARDELL: My name is Jerry Cardell, from Connecticut. I have not got a question. I've just got a comment.

You know, Atari is the only one who has contacted us about a school for teaching. It would be good if the other manufacturers would establish schools to teach our servicemen. I'd like to just offer that as a suggestion. Thank you.

CHAIRMAN ROBBINS: Thank you very much. I'm kind of surprised at that, because through the distributors, most manufacturers have been holding schools in depth. I know that the distributors in Boston, both of them, have had extensive schools. I know that in Hartford and New Jersey they have held extensive schools. Perhaps, they failed to notify you, but I know that in most sections of the country, there has been a tremendous intensification in schools in the last year, because of solid state. It's slacking off, now,

but I think you'll see a second generation of these schools coming forward. But your suggestion is well-taken and I hope those distributors here or their representatives from that area see that they get you better notification, perhaps.

Yes, sir?

MR. GAFFEE: My name is Sam Gaffee. We have an arcade in Ocean City, Maryland. It's just one arcade, but we have quite a few pieces.

I'd like to address the answer that you gave to the gentleman about extensive schools being given by Atari or anyone else, for that matter. We're talking in terms of a couple of days of school, and that's not, really, what our industry, I think, needs in terms of training personnel as good mechanics, especially now, since the electronic era has hit us. I don't believe all you can do is to give them speaking knowledge of the terms that you're using on the p.c. boards or whatever-have-you. So, really, all you're doing is greeting them with the fact that they have a big problem.

I now address myself to the man who asked the question or mentioned something about security and the fact that we have a problem with security. We, also, had a problem with security and somebody noticed something about tokens. We had kids giving out tickets and we had a tremendous problem. He mentioned that he was called down to the police station and someone told him that he had a problem with somebody stealing.

Our employees were stealing from us. In fact, we've gone to complete automation. Our tickets are dispensed entirely from a machine. We've cut down, but not completely eliminated the problem.

Someone also mentioned the fact that the cash-bin boxes are terrible and anybody with a screwdriver can pick them, even though they may have a padlock on them. I think that the manufacturers should take that into consideration. Bell Telephone has had a pretty good system of security for some time. I think that our industry could take a leaf out of somebody else's book that's been tested for years and years. The automobile industry had a problem and they solved it by establishing real schools for mechanics. We should, too. I don't think there's enough of them around.

Our problem with security and our problem with training personnel are very bad problems.

CHAIRMAN ROBBINS: Thank you. Anyone have an answer or want to comment on that?

MR. OSBORNE: I think that point is very well-taken in terms of where we are right now with our service assistance training, and where we would like to be. We happen to have our field service manager, Mr. Fred McCord, in the audience right now and he has worked on any number of occasions with many of the community parks around the country in the past few months. He has worked with those agencies in terms of giving specific training in the area of electronic games. I think more of this activity done by other manufacturers, as well as ourselves, would be very important. I wonder if Fred would like to comment on some of the specifics about that?

MR. McCORD: As Don mentioned, I have worked with other manufacturers - Empire, the Bally Group - and we put together several week-long schools and they encompassed all phases from coin mix all the way up to micro-processor games. We've been extremely successful. The problem is that there's a lot of ground to cover and relatively few are doing it. We have plans in the future for intensifying courses. We have several places in the industry that do it now in different locations. We did have plans, at one time, to extend our facility and provide a training facility center which we, probably, will do. You're going to see more and more of it. Other manufacturers are getting into training. Now, the gentleman did say that all we're doing is giving you a speaking knowledge and making you aware of the problem and that it exists. To look at it realistically, that's the first step. If you know that a problem exists and there is a deficiency, you will take some steps to resolve it. A lot of your mechanics have done that with night schools, books, training on their own, and that would include the operators who want to have the school. A lot of times, the manufacturer will put out the training and money to provide the school, and the operator says, "Well, I don't have time. I can't send anybody." And then the operator comes back and says, "Well, you can't train us. The machines don't work." So, please give your distributors and your manufacturers the support that you're asking from them and provide the time for your people.

CHAIRMAN ROBBINS: Thank you, Fred. This, then, concludes the workshop. I hope you enjoyed it. We've enjoyed being with you. Thank you for coming.

... The workshop was concluded at 4 p.m. ...

ADVERTISING/MARKETING WORKSHOP

FRIDAY, NOVEMBER 17, 1978

ROOMS 307, 308 - GEORGIA WORLD CONGRESS CENTER

The Advertising/Marketing Workshop convened at 2 p.m., Richard "Sandy" Quinn, Marriott's Great America, Santa Clara, CA, presiding.

CHAIRMAN QUINN: Good afternoon. I'm Sandy Quinn, and I'm vice president of marketing for Marriott's Great America, two relatively new theme parks. One is in Santa Clara, California, just south of San Francisco, and the other is in Gurnee, Illinois, just north of Chicago, which recently closed its third operating season with 2,700,000, and a pretty good increase over last year. We attribute an awful lot of that to the advertising and marketing effort that was put forth over the last three years, and that's why we're here today, to talk about some of the basics of advertising and marketing. Ray Canady, who many of you know and feel very close to, was asked to be chairman of this workshop some time ago, and he accepted, but at the last moment was unable to attend, and asked me to fill in for him just a day or so ago. Ray put together what I thought was a very interesting and versatile program. I tried to fiddle with it and change it, and decided not to, because it makes a lot of sense to do it just the way he had put it together. It features a presentation by Ogilvie and Mather Advertising, the fourth largest agency in the world, on advertising and communicating to the growing and expanding travel tourist market. I know all of us are concerned with how we can tap the very lucrative field for our own parks, and I think the presentation should give us some pretty good insight and I hope some helpful new ideas.

Also, Pete Herschend, veteran of sixteen years in this business, good friend to many of you, is going to comment on proper product positioning, which is absolutely necessary for a successful marketing program, as all of us know. Finally, we're going to present a reel of some of the best TV commercials that have been produced over the last year. We did this at the workshop in New Orleans a year ago, and it seemed to be well received and a good learning and idea stealing opportunity for a lot of us. Most of these commercials are from the larger parks, and they obviously have the bucks to produce some pretty good commercials, and I know that all of us can't do that kind of production, but if you watch this reel and look for ideas, I think you'll benefit a lot from it.

To begin with, I want to introduce Bill Whitney, who is senior vice president of Ogilvie and Mather Advertising in Chicago. Bill too is a stand-in for someone indicated on your program, Mike Turner, who is with Ogilvie in Houston. But Mike was unable to be with us at the last minute and asked Bill to fill in for him. Bill has been an advertising account management executive for 22 years, after getting a master's degree in marketing from Harvard Business School. He's built a career of accomplishment in developing strategy and increasing sales for the products of a lot of the major product companies in the United States, like Lever Brothers and Coca-Cola, Mead Johnson, Sears Roebuck, which he still handles for Ogilvie, and more recently the Marriott Corporation, since Ogilvie last year took on the advertising for our two Great America theme parks, our hotels and restaurants throughout the world. Ladies and gentlemen, please welcome Bill Whitney of Ogilvie and Mather.

MR. WHITNEY: Thank you, Sandy. I would like to start out by telling you you're going to have to do some work in this presentation. Ogilvie and Mather, which is 30 years old, has developed a number of presentations on what we've learned about advertising over the years, and what we're going to show you today as part of our presentation on travel and tourism advertising I think has some very close relationship to the kinds of advertising that you all are doing. I think it has some rules that will be applicable to you all, and let's get into it. You'll be watching that screen, and on that screen should quickly come what works best in travel advertising.

Ogilvie and Mather over the years has created over 200 million dollars' worth of advertising for 95 travel clients all over the world, and these include Air Canada, American Express, British Tourist, Cunard, French Government Tourist Office, Hertz, KLM, Korean Airlines, P & O, Puerto Rico and USTS. We're close to home, and we've also done theme park advertising over the years for Great Adventure, Opryland, and currently we're working for Marriott's Great America. Here is what we have learned from all of this advertising and all of this research.

Positioning. Sandy mentioned that Pete was going to talk about positioning. We're starting out with positioning because we think it's the most important thing in the advertising business. We learned that the first and most important decision in travel advertising is how to position your product. It's half the battle, and we say research can help you decide. What we mean by positioning is how you place your product in the consumer's mind, how you place your park, what it means and what it's supposed to stand for for your consumers.

A number of years ago we got the Puerto Rico account, and the question was how should we position Puerto Rico. Another sunny beach in the Caribbean, an old Spanish colony, in terms of its industrial development? Well, in 1955 we did research that told us that most Americans thought Puerto Rico was squalid, inhabited by people without culture or heritage. Now, if you think you've got problems, look at this research. Here's where Puerto Rico ranked in terms of fun. It was a sad last, with Cuba, strangely enough, being at the top of the list. Poverty--it did very well on poverty, and again won hands down in dirtiness. This was '55, I should point out. Although they had beautiful beaches, they got no credit for them. And scenery sadly was not known by Americans either. So, clearly, research revealed widespread ignorance about Puerto Rico, its people, culture and resources.

We simply presented the truth about this island. We positioned Puerto Rico as a beautiful, civilized island with warm, friendly people, and, importantly, an island in renaissance. Three years after our advertising started, visitors to Puerto Rico had increased by 102 per cent. Our campaign helped to change the image of a country. This is one of the campaigns we've run that David Ogilvie is proudest of. Over the years, new dimensions have been added, such as our current theme, Puerto Rico, the complete island. However, our basic positioning as a Puerto Rico as an island in renaissance and Puerto Ricans as warm, friendly people remains in force. It's working harder for us than ever before. Puerto Rico has become the biggest tourist destination in the Caribbean, and it plays host to well over one million U.S. visitors annually. And just to illustrate that graphically, 134,000 people were visiting Puerto Rico in '55, and it increased over tenfold to a million four in '75. And the tourism director of Puerto Rico says to us, "There is no doubt in my mind that the creative advertising, particularly the television commercials, done by Ogilvie and Mather has been the single most important factor in our remarkable success." I'll show you some of these commercials shortly.

Again talking about positioning for the country of Britain, research told us that Americans were primarily interested in Britain's past. Here are the ten British attractions which interest Americans most: Westminster Abbey, Tower of London, houses of Parliament, Trafalgar Square and so on. All of these relate to the things that were of least interest to Americans: sports, weather --that's understandable--food, American roots, industrial cities, et cetera. I think that one of the things that's relevant here is the kind of research that is done in terms of how you want to position yourselves.

On the basis of this, we decided to position Britain as a destination rich in history, and we believe if we had positioned Britain as a progressive industrial society, the British might have been happier, but the tourist would have gone elsewhere. And here's what happened in terms of Britain: again, a massive increase from 126,000 to a million three from the U.S. over the 20 year period.

Closer to home, the United States Travel Service selected Ogilvie and Mather from 140 agencies to launch the first advertising for USTS. We did research here, and it told us what foreigners most wanted to see in the United States were skyscrapers of Manhattan, the Grand Canyon, Niagara Falls, cowboys and indians, San Francisco and the shape of things to come. But the cost of the trip to the U.S. was found to be a major obstacle, so we positioned

the United States as an exciting new world which cost less to visit than most people imagined. And, as I'll mention later on, the cost factor, the value factor, we find is terribly important in all our advertising for travel related factors. And, again, the increase in visitors to the U.S. over this period of time was in the millions.

The Secretary of Commerce wrote us, "Your firm can be rightfully proud of its role in stimulating the remarkable increase in travel to the United States from abroad."

KLM Royal Dutch Airlines. Research told us that Americans rate punctuality and reliability high on the list of attributes they consider important in any airline, and a separate survey told us that Americans rate Dutchmen high on these attributes. So we positioned KLM as a punctual, reliable airline rather than an airline of gourmet food or pretty stewardesses. Again, there was an increase in eastbound KLM traffic based on this positioning.

What we're talking about here in all of these cases is singling out a position for these advertisers and sticking with it and being consistent.

Until 1971, the American Express credit card had been positioned for its broad general utility. We shifted the positioning to present the card as the most respected of any travel card. One year after the campaign began, applications for cards had increased by almost 50 per cent.

Sea Pines at Hilton Head had a reputation as a rich man's retreat, but it had no unique positioning. The market income target was \$25,000 and up. We recommended lowering the income target without lessening the image of high quality. We positioned Sea Pines as perhaps the finest resort in America; positioned a Sea Pines vacation as an outstanding value, one of the few places in the world where a family can get so much vacation value for its money, and business jumped.

Discovering who you are and what you stand for can lead to competitive positioning, and this is terribly important in your business, because you're competing against so many other alternative uses of time and money for your customers. Figuring out this competitive positioning and how you stick to it and register it is essential.

We went to three small Bermuda hotels that previously had been promoted individually, combined the three and positioned them as just what they were, the gentle hotels. And here's how that looked, a guide to the gentle hotels of Bermuda. A very simple statement of what these hotels stood for. It was understood by consumers, and worked. We found that if your positioning is correct, the battle is more than half won. The rest is technique, and this is what we do, advertising technique, marketing technique.

We have found that there are eight techniques that work best in travel advertising, and I'll be talking about them a little bit more at length, and these are:

1. Consistent image. Find what you want to be and stick at it.
2. Quality image. We like to give our products and our

clients' products a first class ticket, do the advertising in a first class way.

3. Work with the big idea. David Ogilvie says that advertising that doesn't have a big idea will pass like ships in the night.
4. Innovation. People are looking for innovative and new things, particularly in your business. We think that's important.
5. Service information. In the travel business, people are often confused, don't know much as they should. Providing them with service information is terribly important.
6. Price appeal. Oftentimes, again, they don't know the prices. They oftentimes think the prices are higher than they really are.
7. News. We'll talk a little bit about the importance of having news in your advertising.
8. Couponing, and to some degree promotion.

First, consistent image. We have learned that it pays to project a consistent image. The travel advertiser who builds the most sharply defined image is likely to get the largest share of the market. Here are three examples of consistency that have paid off. We're going back to countries for the moment. Quickly here is some advertising that we did a number of years ago and over a period of time for Puerto Rico; consistent layout format, consistent point of view about the country. I'd also like to show you now a television commercial that was run during that period of time.

(Film shown.)

MR. WHITNEY: The commercial has a very unique point of view about Puerto Rico, very different from what people thought of Puerto Rico. In 1974, the "island in renaissance" evolved into "the complete island." A new, different look in their print advertising maintained the same strategy, and here's what the print advertising looked like. No other Caribbean island offers so much to do in so many places as the complete island, Puerto Rico. And here's a commercial that went with that strategy.

(Film shown.)

MR. WHITNEY: How about Britain? As I say, we've advertised for them over 25 years. Again relating back to the research, what people wanted to see was the heritage of Britain, and that's in fact what we've shown them. I think the point again is the consistency of look, the consistency point of view in that advertising. Let me show you a commercial now that again follows that same point of view.

(Film shown.)

MR. WHITNEY: Quality image. We have learned that it pays to give destinations or carriers or entertainment facilities an image of quality. If your advertising looks cheap, ugly or shoddy, few

people will want to buy your product. We think that's true of any advertising that we do for any products. Again, a first class ticket for your product. Here's an example of a first class use of space and picture to position Niagara Falls to foreign travelers when we were running the USTS campaign.

Third I mentioned the big idea. Unless your advertising is built around a big idea, it will pass like a ship in the night. It takes a big idea to jolt the prospect out of his indifference, to make him notice your advertising, to remember it and react to it. Research studies show that the normal consumer is exposed to something like 1,500 advertisements a day. To break through this clutter is an enormously difficult thing. It takes a big idea. Here's a big idea that grew out of research. U.S. travelers flying to Europe via KLM land first in Amsterdam, KLM's European gateway. Research revealed that people who hadn't been to Amsterdam thought of it as a lackluster, uninteresting and rather dull place to visit. All right. Ogilvie and Mather presented Amsterdam as a very exciting city, full of surprises for the traveler. Surprising Amsterdam. Here's how this big idea was presented over a ten year period. In print first, "surprising Amsterdam," going in to great detail about the attractions of the city. By George, 22 surprises in all in Amsterdam. A whirling surprise in terms of windmills, with a coupon used prominently in the ad, and a free surprise. Free is obviously one of the most powerful words in advertising, and we use it whenever we can. And also television commercials that came with the ad campaign--

(Film shown.)

MR. WHITNEY: That's an example of surprises. And here's another big idea that we came up with subsequent to that.

(Film shown.)

MR. WHITNEY: I think one of the questions that you should be asking yourselves is what kind of surprises can you be telling people about your attractions; what kinds of things don't they know, and how can you tell them about it in a surprising way. Within two years, Amsterdam had become the fourth most popular tourist city in Europe, and followed London, Paris and Rome. In the past ten years, KLM has doubled the number of passengers it carries from the U.S. to Amsterdam.

Importantly, demonstration can help your big idea come through loud and clear, and television can sometimes achieve this better than any other medium. Sandy will show you a great deal of television advertising for theme parks very shortly, and I think that will prove out the statement very clearly. Here's a commercial that we did for American Express that was a demonstration commercial. It's a unique demonstration. I will ask you afterwards if you know why.

(Film shown.)

MR. WHITNEY: Obviously the demonstration is 95 per cent without words. That may be an over-promise. I've had an American Express card for a long time, and that's never happened to me. But, anyway, here is another demonstration commercial. Demonstration can bring to life the rewards of your attraction. Well, this would seem quite obvious, and demonstration helped Marriott's Great America tell all that it really offered, and that is a great day for

everyone. Here's a commercial that you'll probably see twice today, because I think Sandy's also going to show it, a 60 second commercial for the two parks of Marriott's Great America.

(Film shown.)

MR. WHITNEY: As I said, a demonstration of what happens in a great day at Great America.

Research for American Express told us that travelers did not believe they would lose their cash while on a trip. Their normal reaction was, "Well, that can't happen to me." We think this commercial idea points out the error in their thinking.

(Film shown.)

MR. WHITNEY: And that campaign has been running very successfully for American Express for a number of years now.

Sometimes an innovative, creative treatment can open up a new sales opportunity. A test showed that retail-oriented radio commercials for American Express were able to deliver incremental sales of 15 per cent their first eight weeks. Keep looking at the screen. There's going to be nothing on it, but there will be a radio commercial that you'll be listening to.

(Tape played.)

MR. WHITNEY: Okay. Innovation is the fourth one. We have learned that advertising which is imitative is seldom successful. It pays to innovate, to blaze new trails, but innovation is risky unless you test your innovation with consumers and look before you leap. Testing doesn't have to be expensive. It can be done on a small scale, but you really ought to know what your advertising is saying. We wanted to use bilingual headlines for France, but would a French headline with English translation in small type reduce readership or increase it. We found bilingual headlines increased readership 24 per cent. As pointed out, the headline was in fact 24 per cent more effective. An example of testing.

Service information. We believe that service information increases the effectiveness of travel and tourism advertising, where to go, what to see, how to get there, and importantly how much it costs. Here's some service advertising we did for Britain. When you got to London, take this ad with you. And as you see, if you have this ad, you have practically everything you need to get started in London. You have a walking tour, and you have the major attractions all spelled out for you. What your trip to Europe really will cost this summer and how you can save money. Very helpful trip information for prospective travelers. Closer to home, for Great America in Santa Clara, service information in terms of how to get there. This summer you'll discover a major detour on U.S. 101 near San Francisco, and if you discover this, you'll find Great America. And lastly, look what you could be doing at Marriott's Great America. That's a long copy ad, listing all of the many attractions that Great America offers.

Maps, diagrams and illustrations can convey a lot of service information quickly. This advertisement for the United States Travel Service ran in Canada to appeal to the Canadian summer vacation market. It is full of interesting itineraries, and it is

loaded with helpful travel facts. We have found that using maps almost always works in terms of getting interest, and as you can see, this map is full of information about what you'll find when you get there.

Service information should be fun to read. Many years ago our advertisement for Great Adventure captured the spirit of fun-filled, one day vacation for the entire family. It even sold tickets by mail, because it had a coupon in it, and you can see the full spread on Great Adventure.

Service information can be made appealing by breaking it up in an inviting way. For Sea Pines we have created a week's vacation on a page. It had almost 3,000 words, 24 prices, and 77 numbered facts. It's amazing. People often say that the reader is not willing to work that hard in advertising. If the subject is interesting, they will, and this kind of advertising proves it. Sometimes our work can capture the spirit of a vacation better than photographs. This advertising for Sea Pines delivered inquiries at less than half the cost of the previous campaign, and produced business 20 per cent ahead of the previous year. And again, very long copy, very assertive headline, what makes Sea Pines at Hilton Head perhaps the finest resort in America. It doesn't say it is. It says perhaps it is, but its point is clearly made.

Captions get twice as much readership as body copy, so put captions under your photographs, and pack them with service information. Include key sales points and explain what is happening in the photographs. Here's an example for Cunard, and you'll notice a number of photographs, and under each one is a picture caption, explaining what's in the picture. People we find read those captions very thoroughly. Notice the savings headline, 50 per cent off. Very important.

News. We have learned that news is effective in travel advertising. News can be new rates, new equipment or new facilities, or it can be any exploitable news story. The trick is to reach your prospects while the story still has news value. Obviously this requires the reporter's instinct and around-the-clock speed. Here's how we made Marriott's Great America's new stage show, Silver Screen, seem to be a news event.

(Film shown.)

MR. WHITNEY: Some years ago when American travelers in Europe were suddenly confronted with the devaluation of the dollar, Ogilvie and Mather filmed this commercial for American Express to show how the American Express card and traveler's checks could rescue travelers. I might point out that this was filmed the day after the crisis, as people were coming back. It was filmed in black and white to pick up the news documentary feeling, and let's look at the commercial.

(Film shown.)

MR. WHITNEY: I think that commercial also illustrates another effective advertising technique, and that is to let your customers speak for themselves. Sometimes they can say more dramatically what you would like to say than you could yourself, and I think that's what happened in this commercial. And this commercial led to similar treatment for all American Express advertising; that

is, testimonial advertising over the years.

When the value of the dollar increased dramatically in Europe, Ogilvie and Mather ran this ad for KLM, your dollar has soared in Europe and get there quickly. But the point of all this is news to tie in with events that are happening, tie in quickly and make them work to your benefit.

Price appeal. We have learned that travelers always respond to price appeal. The key word there is always. Today this is truer than ever. No matter whether you sell transportation, accommodations, services or attractions, a better value sells more. Our advertisement announcing Cunard's transatlantic tour program in the New York Times produced almost 3,000 coupons, at a cost per response of only \$2.27, and here we talked about the completely new concept in European vacations, and here one of the greatest values in history. People are obviously looking for great values.

Our advertising for USTS recognized that the cost of long distance travel is a big barrier. We showed how little it could cost to tour the U.S., and this was run obviously overseas, but we were saying how to tour the U.S. for 35 pounds a week. How anybody could do that is a little unclear to me, but it was some time ago.

Here are two American Express advertisements which feature a new kind of independent style tour. One introduces the concept; the other concentrates on the bargain, and I think this is important. The bargain pulled 47 per cent more coupons. The tourless tour did 40 per cent less well than "fly to Madrid, London and stay two weeks, all for less than regular air fare." There's another lesson here: if you have something to say, say it clearly, and tell the people what you mean. The tourless tour really does not mean anything.

This advertisement for Cunard ran twice in the New York Times. Eight days after it appeared, both October round trips on the Queen were sold out. The revenue that resulted from that one advertisement was \$500,000, and here's the ad. It's a remarkable feat, I think, for an ad in one newspaper to return sales of \$500,000.

Couponing, our last point. The best immediate response to your advertisement is sales, and coupons can bring the prospect one step closer to the sale. We use coupons a great deal in our advertising. "The greatest ship in the world sales for the Caribbean islands four more times this winter," with a coupon for the Queen Elizabeth II. This Cunard advertisement contained 26 items of useful information, over 42 numbers and 7 prices. The first time it ran in the Times, it pulled coupons at the remarkably low cost of \$2.29. Cost per inquiry is sometimes lower with small advertisements than with big ones.

This advertisement for American Express ran in 1,000 lines in newspapers, and later in 400 lines in the same newspapers. The cost per inquiry for the smaller size was 36 per cent less than for the large advertisement. And I think in your business, this is a useful lesson; that size in itself isn't always necessary. If your message is clearly made, the results can come very quickly.

Use coupons to test graphic executions. Here are two advertisements. The main element in one is a photograph; in the other, a map. As I mentioned before, the one with the map pulled 34 per

cent more inquiries in a split run test. So you can use coupons in ads to find out whether the advertising is working as effectively as it should. Use coupons to tell you which creative execution works best. Here are two American Express advertisements. One made the offer in a straightforward way; the other used a cute approach. The straightforward approach pulled 50 per cent more inquiries.

American Express wanted to go all out to get its fact-filled booklets into the hands of prospects at the planning stage. This unique all coupon advertisement produced almost 80,000 coupons at a remarkably low cost of a dollar a coupon, and each one of these offers a separate tour choice, and this again for American Express back in 1973. The ultimate coupon ad--that's all it is.

And consumer advertising obviously isn't the only tool. Advertising can seldom close the sale, but it should make the prospect fill out a coupon, pick up the telephone or visit a travel agent. That's where the other tools come in. By other tools, we mean literature. Good advertising whets the prospect's appetite. Good follow-up literature should be comprehensive, competitively impressive and loaded with practical information that will help the consumer plan his trip or enjoy the attraction or go back or help sell his friends. We are terribly strong on the use of literature to tell the sales story that you all have. This 52 page booklet that we produced for the USTS was the first holiday guide to the U.S. ever offered. It has all sorts of helpful hints and prices, and can you see it's in a number of different languages.

Direct mail. In some instances the use of direct mail for travel can be more efficient than any other media. Direct mail works best when your product is already well known, or conversely when your prospect is well known. We conducted a test for British travel to determine which of three media--direct mail, television or magazines--is most efficient in building traffic from the U.S. in the off-season. Direct mail was four times more efficient than magazines, and seven times more efficient than television. I think we all often overlook direct mail. It can be a very powerful tool. This really just says what I said in the previous slide; that in terms of cost per conversion on the right-hand side, direct mail was infinitely less expensive than the other media.

Just a little bit on direct mail. Long letters can be more productive than short ones. An eight page letter, if you can believe it, sold out Pacific and Orient cruise in five weeks. Direct mail works harder obviously when combined with a major advertising program. After extensive testing of creative appeals, we developed a direct mail program for American Express. This program, in conjunction with advertising, produced record numbers of new card members at the lowest cost per response.

Our conclusions clearly are in terms of advertising. Never stop testing your advertising, and your advertising will never stop improving. Test your promise or your positioning. Test your headline. Test the size of your advertisement. If possible, test your illustration. Very importantly, test the level of expenditures, or test different levels and see what works best and pays out best for you. Lastly, test different media. You should all be doing that in terms of your every-day activities, trying different media to see what works best.

And then keep these facts in mind. The most important thing that you or any advertiser can do is arrive at the proper positioning for your product. Secondly, have a consistent image. Stay with it. If possible, surround your product with a big idea. Fourth, be innovative. Don't be imitative. Five, it's very important to give service information, help the prospective user. Price appeal has always been important. We think it is probably more important than ever now. News, again, has been a way to get interest and action from advertising forever. And couponing, a thing that we all should never forget.

Now, a brief commercial. Ogilvie and Mather's approach to travel advertising is based on research. It combines pragmatism with creativity. And after having said all this, we say rules are made for the obedience of fools and for the guidance of wise men, and we hope this has been of some help to you. I think we've shown you some far-off lands. That may be at least pleasant, and at least you've been able to sit down for 45 minutes. Thank you very much.

(Applause.)

CHAIRMAN QUINN: Thank you, Bill. I thought that was a great cram course in advertising, and I think all of us can learn from it.

I've asked Pete Herschend to comment on a couple of things. Peter Herschend is vice president of marketing for Silver Dollar City. They have two parks: one in Missouri, up there in the Ozarks, and one in Tennessee. He's been a very active participant in the park business and in our industry for many, many years. This week he was just elected to the board of the IAAPA, and I think that's a well deserved honor for him. He's very competent, a very thorough marketing strategist, a marketing professional. Pete's going to talk on how to position your park. Proper positioning is one of the early elements of any marketing plan, and I think once you position properly, then advertising and sales and promotions, all of that planning should flow and develop in a far more orderly manner. I also asked Pete to comment on something I think is very unique to Silver Dollar City, and that's their historically very successful festival program, which is a key element in their marketing program. And I know a lot of us are moving more and more toward doing special events and special activities of a traditional or annual nature, and I think they've got a head start in that area, and I've asked him to kind of tell us a little bit about it. So I'm pleased to introduce a good friend of many of us, Pete Herschend.

MR. HERSCEND: We won't take a great deal of time here because I think it is perhaps more important that we have an opportunity to be hearing back from each of you in terms of your questions and where your interests might lie. I listened very carefully to what Bill was saying, and I hope you all did, too, particularly the first portion of his presentation on positioning. I'm going to come back to it, because I believe, as Bill's presentation indicated, that positioning, with a capital P, is the most important thing you will do for your business. Now, I don't really care whether your business draws 10,000 or 100,000, 1 million or 5 million visitors in the course of a year. You must, if you're going to be more successful than just average, which is the ambition I would judge of most of us here, or we wouldn't be here--if you're going to be more successful than the guy who just opens the door

and says, "Well, come by if it suits you," you must establish a clearly defined position. You've all gone to the supermarket, and you've all walked up to the rows upon rows, it seems, of breakfast cereals. There must be three dozen brands available, right? They are all essentially the same product, made of a cereal of some nature. They all have various degrees of nutritional ability. But you will pick out one or two of those and carry it home. And usually, that will be a decision that you made in fact before you walked in, unconsciously if not consciously, and that happened because that cereal had positioned itself as a unique commodity in your mind. You're the consumer. It had positioned itself as a unique commodity in your mind before you walked into the supermarket to pick it out.

Positioning is that element of your business which you can literally say about yourself, through whatever media you use--it may be only word of mouth, or it may be a very complex radio-television/news print marketing program--that is the element that makes you singularly distinctive--that people will pick you off of the shelf and say that box of cereal, that attraction, that park, that encyclopedia is in fact different and has some attributes about it that I like.

Now, I see some gentlemen sitting down here. Is that Magic Springs? Okay. New park down in Hot Springs, Arkansas. Let's pick on them. They have to go into the market place, their market place, and we'll talk about that in a moment, very carefully and say, "Here is Magic Springs, not just another park," because you've got to remember that people coming to Hot Springs come from--well, they come in large measure from Dallas, right? All right. And in Dallas these people have been exposed to some of the most sophisticated advertising for theme parks that you'll find. You'll see some of their television spots in a moment for Six Flags. And if Magic Springs cannot say why it is different from Six Flags, what possible incentive do people have to go to Magic Springs? Now, insert the name of your own business in the place of Magic Springs--I'm not picking on them. They happen to have done a good job, so I can pat them on the back. They've had a good start. You've got to do it. Otherwise, all you are going to gain is the traffic that is just sort of flowing by your door. You will not get people coming into your door because you have no distinctive position. If you choose not to, you're just going to grow with the rest of the world. If you are in an area that is travel-sensitive--our two parks are--you're just going to grow up and down with the vicissitudes of the market. If business is good in the Poconos or wherever, in the Colorado Rockies, then your operation will go up and down.

We've wrapped up our third year at Silver Dollar City in Tennessee this year, and we positioned ourselves certainly in the entertainment business, but very broadly as a park that preserved, entertainingly preserved and presented--underscore the word entertainingly--America's pioneer heritage. That is something that no other place of entertainment in our area can say. There are other excellent attractions. The Sitwells are here somewhere. They are our business neighbors right across the street. They have another attraction, which they repositioned this year. It's called Magic World. They presented a whole new image to the general public and had good response to that. But you simply must do that.

Now, once you have positioned yourself, please hear one other thing that is very, very important. And again, ladies and gentle-

men, I'm emphasizing this does not apply to parks that are dealing just in the million plus attendance range; I'm talking about your business and mine. You must identify your customer. It is not, generally speaking, everybody in the world. It may be very appropriate for you to only work on bringing to your place of business the people who are just coming to the area anyway, but you better know who they are. You better know how old they are. You better know if they're coming from a distance away, where they're coming from. In other words, you've got your homework. To just say, "Oh, I think most of my business comes from Ohio," is not only a poor statement; it's a dangerous statement, because, first of all, you don't know that if you're in Pigeon Forge, Tennessee. That would happen to be a wrong statement, even though it would appear to be correct. You just might think on the surface you see a lot of Ohio license plates running around that week, but where are your people really coming from?

And then finally you come right back into Bill's area with how am I going to reach those people? Certainly our company does not have the ability to go at our audience with the dollar power that is represented in what we saw here. That is some of the best I've ever seen. I think that's just outstanding, but there's a lot of money tied up in that, and you know it and I know it. It is important for us to therefore say, "Okay, here's our audience" --and I'm going to use examples in our own business. I'll take the Missouri park this time. We identified that roughly 15 percent of our business at our Missouri park came from St. Louis, and we know how much--140, 150,000 people, give or take a few, come from the St. Louis market. Now, we're going to have to go after that group of people. How much money can we afford to spend? Well, it's this number of dollars. If you're in a position, you say, "I can't afford television. Maybe I can't afford advertising." That doesn't mean you shouldn't be in the market. If you are going to go in and try to position your product in the St. Louis market, you have at your disposal publicity, public relations--whichever way you choose to look at it. You have a sales program, group sales, churches, industrial sales. You have promotions at your disposal. You do not have to have a budget of \$250,000 to spend in St. Louis to get your position communicated to your public, but you have to be very careful. There's a very important point in Bill's presentation in terms of using the news media. If you're going to do publicity, you better have somebody on your staff or hire somebody who is a good publicist.

At Silver Dollar City in Missouri, our 20th year is coming up. We just finished our 19th year. But for the first 13 years, from attendance of 100,000 to probably 500,000, 600,000, we had no paid advertising, none. We did it with publicity. I'm talking about paid newspaper, radio and television. We did highway signs and brochures, but I'm talking about the major expenditures. It was strictly done with publicity. That's how we got the word out and the position out of what Silver Dollar City was then and is today.

The market place hasn't changed that much. It can be done today if you will take the time and effort to do it. I could go on for quite a bunch of time. Sandy, do you want me to take the time on special events now? Okay.

Silver Dollar City in Missouri started 16, 17 years ago with a little event on one weekend called The National Crafts Festival. It fit our image. It fit our position. We were doing some things

in crafts, pioneer crafts. That's our thing, remember. It does not necessarily mean it works for everybody. And as several people have found--I will tell you quite honestly, several parks have found that if you have a ride park, crafts probably aren't your thing. The reverse is also true. Silver Dollar City would just be dumb if it did a roller coaster festival, you know, with the super duper coaster. It just would not fit our image at all.

We started 17 years ago with the small festival, one weekend. It grew. Remember, no advertising. Word of mouth was the way it was communicated. It fit our position. The total attendance this year at our fall craft festival in Missouri reached almost 200,000 people over roughly a 23 day span. Now, that's during a time that without a festival, we estimate the business at that time would be somewhere in the range of 25 to 30,000 people.

Now, I guarantee you that growth didn't just happen. We did not go from a few thousand people in the first year to almost 200,000 people in the fourth year. It took a lot of work. We have a professional staff that does nothing but develop this kind of event. Of our 26-week operating year in Missouri, we now have 9 full weeks that are taken up with festivals of major proportions, plus a number of special events. They can be very, very supportive of your position, and should be, and can be tremendous attendance developers for you, as long as you are supporting a unique position that your guests, your potential guests have expressed an interest in.

Thank you very much.

CHAIRMAN QUINN: Thank you, Peter.

We're going to take a five minute break, and then we are going to show you 15 of the best television commercials that have been produced and shown for our business over the last year.

(Brief recess.)

CHAIRMAN QUINN: We've got a reel that represents some of the best--I'm not saying these are all award winners, but there has not been any competition and there hasn't been a review and a process by which we've eliminated some. And so these are the cream of the trade. I think these represent very interesting technique and conceptual differences in the kind of television advertising that we all deal with. This reel is made up of spots from Astroworld, from Busch Tampa, Busch Old Country in Virginia, and I call your attention to those. They are some of the best because of the new Loch Ness Monster, and they put a lot of money into production. They won't even admit how much. But I think for showing a new attraction, they really are good. Carowinds, Great Adventure, Hershey, King's Dominion, King's Island, Marriott's Great America, Opryland, Riverside Park, Silver Dollar City, Universal City, Worlds of Fun and some Six Flags spots. Watch for ideas, for creative concepts, because the things will jump out to you. Some of the techniques would include the use of personalities. You'll see Dick Van Dyke used as a spokesman. You'll see Dick Clark used as a spokesman. Some of these spots position against new attractions, to introduce new attractions. Some position special offers, like nighttime. The first one is magic at midnight for Astroworld. Some are show spots, live stage presentations, productions. Some present price off discounts, tie in promotions with third parties. Some are special

ticket promotions, add-on premium promotions. Some are 30's, some are 60's, some are 10's. There is a set of 10-second spots in here from Opryland that I think are excellent. Some have heavy budgets for production, and some had light budgets. Some have their own theme music, and some bought it out of library inventory. Some aimed at local residents; some aimed at tourists. And all these different approaches I think you ought to be aware of as you go through, and you can critique them better. So we'll just roll it, and I hope that it is as interesting and as educational to you as it has been to me.

(Film shown.)

(Applause.)

CHAIRMAN QUINN: Probably about a million bucks of production there, maybe twice that if everybody would admit how much they paid for those. That wraps up our program, and I want to thank you.

... The workshop was concluded at 4 p.m. ...

1978 IAAPA ANNUAL BANQUET

SATURDAY, NOVEMBER 18, 1978

GRAND BALLROOM

Robert K. Bell, Sr., Presiding Officer, called the banquet to order, and the invocation was given.

After dinner, President Edward J. Carroll, Jr. delivered his Presidential Address. He introduced his retiring 1978 Executive Committee members, distinguished guests and foreign dignitaries. The new Board of Directors and Past Presidents were asked to stand and be recognized.

President Carroll then turned the meeting over to Earl Gascoigne, chairman of the Service Awards Committee, who made the following presentations:

SERVICE AWARDS

N. S. ALEXANDER AWARD:

For the finest program appearance on a subject dealing with Amusement Parks or Piers:

Randall Bailey, Six Flags Over Georgia, Atlanta, GA

and

Scott Lovering, Marriott's Great America, Gurnee, IL

ANDREW S. McSWIGAN AWARD:

For the most outstanding service to the industry for the year:

Senator Daniel K. Inouye, Honolulu, Hawaii

DON DAZEY AWARD:

For the finest program appearance on the most outstanding promotion in the industry for the year:

Olin Morris, Libertyland, Memphis,
TN

and

Chris Hines, Western Playland, El
Paso, TX

PAUL HUEDEPOHL AWARD:

For the most outstanding service to
the Outdoor Attraction segment of
the industry for the year:

Stanley R. Nelson, Joyland Amuse-
ment Co., Wichita, KS

and

Joseph Malec, Jr., Peony Park,
Omaha, NE

President Carroll introduced the 1979 officers: President-
Elect, Robert K. Bell, Sr.; 1st Vice President, Truman Woodworth;
2nd Vice President, J. Clark Robinson; 3rd Vice President, Paul
Serff; Treasurer, Edward J. Carroll, Jr.; Executive Vice President,
Robert H. Blundred.

President-Elect Robert K. Bell, Sr., presented President
Edward J. Carroll, Jr. with his Past President's Award.

This concluded the business portion of the banquet and the
entertainment followed.

EXHIBIT AWARDS

FRED W. PEARCE (SWEEPSTAKES) AWARD:

Most meritorious device, equipment or supply exhibit displayed:

Award Winner: Omnivision, Inc.-"Cinema 180"
Sarasota, FL

Honorable Mention: Arrow Development Co., Inc.
Mt. View, CA

Honorable Mention: Intamin, Inc.
Millersville, MD

EDWARD L. SCHOTT AWARD:

Most meritorious exhibit of equipment, supplies or services:

Award Winner: Creative Engineering, Inc.
Orlando, FL

Honorable Mention: "The Bally Group"
(Empire Distributing, Inc.)
Chicago, IL
(Advance Automatic Sales)
San Francisco, CA
(Bally Northeast Distributing, Inc.)
Dedham, MA

Honorable Mention: Paul Osborne & Associates, Inc.
Dallas, TX

ROBERT & STEVE PLARR AWARD:

Most meritorious exhibit of drink and food items:

Award Winner: Calico Cottage Candies, Inc.
Hewlett, NY

Honorable Mention: First Packaging, Inc.
Houston, TX

Honorable Mention: H. P. Hood, Inc. Food Service Div.
Boston, MA

BEN SCHIFF AWARD:

Most meritorious new kiddie/junior device exhibited:

Award Winner: Venture Ride Mfg., Inc.
Greer, SC

Honorable Mention: Wisdom Mfg., Inc.
Sterling, CO

Honorable Mention: S.A.C. di Sartori C. srl
Montagnana, Padova, Italy

LEONARD THOMPSON AWARD:

Most meritorious exhibit of arcade and coin operated amusement devices:

Award Winner: Pleasure & Leisure Inflatables Ltd.
Thurmaston, Leicester, England

Honorable Mention: John Caler
Sun Valley, CA

Honorable Mention: J. A. Blash Imports
LaVerne, CA

BRADY McSWIGAN AWARD:

Most meritorious exhibit of merchandise, souvenirs and novelties:

Award Winner: Shark Creations
Sarasota, FL

Honorable Mention: Treasure Craft/Pottery Craft
Compton, CA

Honorable Mention: GAF Corporation
New York, NY

D. S. HUMPHREY AWARD:

Most meritorious new Major/Adult Device exhibited:

Award Winner: Huss & Company (Pirate Ship)
Bremen, West Germany

Honorable Mention: Eyerly, Inc.
Salem, OR

Honorable Mention: Eli Bridge Company
Jacksonville, IL

HENRY A. GUENTHER AWARD:

Most meritorious exhibit dealing in games:

Award Winner: Bob's Space Racers, Inc.
Holly Hill, FL

Honorable Mention: Grover C. Watkins, Inc.
Paducah, KY

Honorable Mention: Mike Munves Corporation
New Rochelle, NY

GUY B. HUNT AWARD:

Most meritorious exhibit of revenue and admission control:

Award Winner: Pacer Corporation
Seattle, WA

Honorable Mention: Bennett Distributors
Seaside Heights, NJ

Honorable Mention: Thomas Automatics Co. Ltd.
Loughborough, Leics, England

JOHN ALLEN AWARD:

Most meritorious exhibit, or equipment or conceptual presentations including new and imaginative programs in the fields of insurance, safety, advertising, promotion and public relations:

Award Winner: Chuck Jones Magic Enterprises
Granada Hills, CA

Honorable Mention: Hortie-Van Flg Mfg. Co.
Pasadena, CA

Honorable Mention: Green Duck Corp.
Hernando, MS

IN MEMORIAM

Harry J. Batt, Sr., Pontchartrain Beach Amusement Park, New Orleans, LA
Dan Brechner, Dan Brechner & Co., Inc., New York, NY
Andrew M. Brown, Moxahala Park, South Zanesville, OH
Joseph Brown, Chance Mfg. Co., Wichita, KS
Sam Goforth, Goforth Industries, Inc., Shelby, NC
Sara Margaret (Sally) Henninger, Kennywood Park, West Mifflin, PA
John Gibbs, Taylor Engineering, Beverly Hills, CA
Samuel High, Jr., Philadelphia Toboggan Co./SkeeBall, Inc., Lansdale, PA
Sam Johnston, Johnston Amusements, Lodi, CA
Hattie Longchart, Longchart Amusement, Dallas, TX
Joseph Malec, Sr., Peony Park, Omaha, NE
William G. Meinch, Feltman Products, Brooklyn, NY
J. Wallace Scott, Jr., Globe Ticket Co., Horsham, PA



